Daily Report

Latin America

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FBIS-LAT-94-004 *6 January 1994*

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Cuba

Tourism Developments in 1993 Reviewed

PA0301024194 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Jan 93

[Report by Isis Maria Allen for the "Evening Information Review" newscast]

[Text] With the reorganization of its internal structure and the perfecting of its directorship system, the Cuban tourism sector in 1993 ranked among the most dynamic and significant sectors of the country's economy. Although official reports on these changes have not yet been issued, it has been learned that in 1994 the tourism industry will have a ministry that will group through a central directorate the Cubanacan Corporation, the Gaviota Group, and several hotel chains operating National Tourism Institute installations.

Statistics show that 600,000 tourists visited the island in 1993, most of them from Canada, Germany, Spain, Mexico, and Italy. Gross revenue figures total over $530 million, which represents an almost $200-million increase over the 1992 figure.

Given the tourism industry's pivotal role in the Cuban economy, the topic was dealt with extensively in debates held by the party's provincial assembly in Havana City. The assembly agreed that Cuba ranks high among the most popular tourist locations in the world. During the debates the assembly also discussed shortcomings of the hotel industry such as the lack of an established authority and adequate Cuban economic mechanisms to manage the tourism sector. Changes were proposed for 1994 with a view to improving conditions in the tourism industry.

Discussing the tourism development program in Cuba from another angle, it is worth mentioning that in the past year, despite harsh economic conditions and the U.S. blockade, the plan to increase our lodging capability continued. For instance, not only was the number of airports in various locations around the country increased to six, but the facilities were adapted to receive international flights. New communications systems were either added to or improved upon to meet tourist demands. In addition, several hotels opened in 1993, including the five-star hotel Guitart-Cayo Coco [words indistinct] Ciego de Avila, which was inaugurated by President Fidel Castro. This hotel is considered one of the most beautiful in Cuba and shows the respect that Cuba has for the environment in its tourism projects. In addition, it is a clear example of the harmonious way in which man can coexist with untouched nature. Other newly opened hotels include the four-star Barlovento Hotel at the famous Varadero seaside resort, the Cuatro Vientos Hotel in Camaguey Province, and the Tierramar Hotel in Santiago de Cuba.

All of this is evidence of the development program that Cuban authorities are implementing throughout the entire country. In 1993, 3,000 new rooms were incorporated into the tourism industry. The plan to rescue old installations was clearly evinced with the major repairs performed on the Sevilla Hotel in Havana, where similar works began this year on the Havana Libre and Havana Riviera Hotels under the auspices of such Spanish companies as Guitart and the Caguama Caribbean Hotel. The year 1993 saw the reaffirmation of the presence of hotel chains from various countries in Cuba, which is considered by the Cuban Government as a necessary and unavoidable step toward achieving the rapid growth Cuba is seeking.

This foreign participation in the tourism industry has yielded very positive results. The administration and marketing of Cuban units by foreign chains has led to a higher level of occupation of the installations, where the process of perfecting the quality of service is noticeable along with the improved efficiency of Cuban personnel, who are gaining greater experience in an industry that is just beginning in Cuba.

Tourism entities from 11 countries—including Spain, Germany, Italy, Canada, Mexico, Jamaica, Chile, and Holland—are present here. Additionally, businessmen from various regions have joined the national tourism industry with contracts for joint projects such as the Guitart Group with Cubanacan for a new hotel in Cayo Coco.

New routes of air transportation between cities of this Caribbean island and other countries have opened up through various companies. Cubana de Aviacion, Cuba's official tourism airline, has increased its world's destinations to 30 cities. Regular and chartered flights will begin this year to Santa Fe de Bogota, Colombia; Paris, France; and Munich, Germany.

Cuban cities were added to the itineraries of European air companies such as (Stainal), which links Madrid and Santiago de Cuba and Varadero, and (Eaurope), which joins Barcelona with Victoria, capital of the Basque country, and the famous resort of Varadero. In addition, the Italian city of Milan and Cayo Largo and Ciego de Avila have been linked. Chilena del Cobre Airline, Ladeco, also began flights to this Caribbean island. Costa Rica's LACSA and Antillana de Aviacion are now joining Holland, Curacao, and Cuba. All these openings promote a broader tourism movement to Cuba.

Cruises also began this year operated by a mixed foreign company. This undertaking will bring large profits to the country as vacationers will be able to take a large number of tours from Cuban ports. This will allow us to gain experience with a view to a possible increase in this activity, which for the first time will originate from Cuba.

The year 1993 has been, in sum, a year of evolution, advancement, and notable perspectives for the tourism industry in Cuba, which has as its main resources the natural beauty, hospitality, and friendliness of its people, security for visitors, culture, history, and a social system

that is becoming more exclusive in the world. Most tourists list those reasons for traveling to this Caribbean island, where they also find comfortable accommodations that include in their decor representative samples of the works of Cuban artists. They and other professionals contribute to perfecting the tourism experience. The tourism sector has become a large employer, hiring over 60,000 workers directly and promoting the development of other areas of the country.

Given that tourism will go from third to first place in resource generation in the world, Cuba, which needs a notable advancement in its economy, has reaffirmed this year its willingness to use every resource at hand to develop this industry. As Fidel Castro said when inaugurating the Guitart Cayo Coco Hotel, tourism revenues can compensate for the losses resulting from the disappearance of the Soviet Union and the socialist bloc.

Contino New Year Address

FL0301153894 Havana Radio and Television Networks in Spanish 0323 GMT 2 Jan 94

[Speech by Juan Contino Aslan, first secretary of the Union of Young Communists, from the Turquino Peak at 0400 GMT on 1 Jan—recorded]

[Text] People of Cuba: Congratulations, on the first minute of 1994, our thoughts are with you, you heroic people, Mambi and rebel people, invincible people, supreme support of the fatherland—every happiness and victory belong to the people, belong to Cubans, belong to those who forged our yesterday, consolidate our today, and struggle and will struggle for our tomorrow.

The enemies of Cuba miscalculated. Those who dreamt of our collapse see us taller today. Those who wished for our downfall do not know the immense good fortune of having a free fatherland. Those who forecasted our death cannot stand to see us brimming with life.

We are the fruits of a tree with deep roots in the earth of our patriotism. The true child of a people of Mambises is not born a traitor. Forty-eight hours before his death, Camila said that the values and pride of the Cuban people are today as high and solid as the invincible peak of the Turquino. And it is here that the invincible values and pride of Cubans arise today, to the highest point in Cuba, to ratify with Camilo that it will be easier for us to stop breathing the pure air of the Sierra than to relinquish a principle, than to bend a knee to imperialism, than to compromise a single revolutionary ideal, than to be disloyal to the fatherland, to socialism, the Revolution, and Fidel.

We have arisen with Cuba since 1868 and will continue to rise for her for all times. These are times for rising up to confront all difficulties and preserving with our actions the fatherland's past, which is now once again our present, a more beautiful present because it is the time to preserve our dreams, the memory of so many heroic lives, so much blood that fertilized the idea. Thank you, Mambises, for teaching us to fight without surrender. Thank you, Mella, for having left us your great love for the party you founded. Thank you, Guevara, for your genuine lesson for the 21st century. Thank you, Celia, for your permanent presence, together with Marti, on this peak. Thank you, Fidel, for this daily lesson in Cuban revolutionary spirit. Peaceful rest for our dead, for whom it will not be necessary to raise their arms in defense of our fatherland because it will never be torn to bits.

Viva forever the dead—our happiness. [Crowd: Viva!] Eternal life to our party, our revolutionary slogans, our socialism, and our fatherland.

Invincible commander of all times: Here we are. Onward! This is also the generation of the centennial. Viva the 35th anniversary of the Revolution! [Crowd: Viva!] Viva the people of Cuba! [Crowd: Viva!] Viva the party! [Crowd: Viva!] Viva Fidel! [Crowd: Viva!] Socialism! [Crowd: or death!] Fatherland or death! [Crowd: We will win!]

Castro Queries Science-Technology Forum Inventor

FL0301145794 Havana Radio Rebelde Network in Spanish 1000 GMT 3 Jan 94

[Report by Margarita Torres]

[Text] The Eighth Science and Technology Forum was one of the most brilliant projects conducted in 1993 by the Revolutionary Armed Forces [FAR] and the Interior Ministry [Minint]. The more than 179,000 grassroots solutions presented in 1993 confirm that mass participation was a decisive aspect for both military organizations. However, this did not hamper quality; on the contrary, it increased it. Technical and scientific discipline was an indispensable factor in maintaining the combat-readiness levels the times demand and to energetically fight crime.

The skillful identification and integration of older and younger, highly trained specialists made it possible not only to repair and produce hundreds of pieces of equipment and parts, but also to remodel and produce new weapons. One of these is the Mambi, a 12.7-caliber semiautomatic rifle, ideal against personnel carriers and fire-support helicopters. This powerful rifle reached the national forum, where its creator, Lieutenant Colonel Armando Gutierrez, answered Fidel's questions.

[Begin recording] [Castro] Does it pierce the shell of an armed personnel carrier?

[Gutierrez] The bullet, at a distance of 500 meters, can penetrate a 20-mm sheet of steel. This was demonstrated in the test we conducted. We made several test shots with a U.S. Sherman tank, and it penetrated up to 35 mm. Therefore, it is possible that it will penetrate all light vehicles, which generally have an armor thickness no greater than 10 mm.

[Castro] What armor do helicopters normally have?

[Gutierrez] All helicopters, except the new generations under production right now, have light armor, which is therefore pierced by these bullets. All these bullets are piercing-incendiary bullets, even the tracers. Therefore, even while it is piercing, it also burns. [end recording]

The results attained by the FAR and Minint in 1993, motivated by the science and technology movement, constitute a challenge for future forums. Division General Ulises Rosales del Toro, a member of the Politburo and chief of the General Staff, spoke before the plenary of the Eighth Science and Technology Forum.

[Begin recording] I believe that what we can tell the commander in chief today is that we have unleashed a mass movement aimed at guaranteeing the defense of the Revolution, which will provide extraordinary support to the Ninth Forum, not only in priority tasks, but also by solving small problems necessary to guarantee the defense of the Revolution. [end recording]

The science and technology forum movement has entered a new phase in the FAR and Minint. All that is needed now is to perfect it as a method and workstyle, and to turn it into everyone's main duty—the generals' and the soldiers.'

Electric Generators Being Repaired

FL0401222094 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Jan 94

[Text] Workers of the Electric Plants Maintenance Enterprise are repairing two broken generators, one at the Antonio Maceo Plant in Santiago de Cuba and the other at the Maximo Gomez Plant in Mariel. A NATIONAL NEWS AGENCY dispatch adds that the work being conducted in the boiler rooms of the aforementioned plants should be completed during the first half of 1994. This extensive technical availability repair program is accompanied by other special measures to make it possible to stabilize generation in those plants that use national crude.

Castro Briefed on Storm at Plaza Defense Council

FL0401235694 Havana Cuba Vision Network in Spanish 2320 GMT 4 Jan 94

[Text] In the early hours of the morning, Commander in Chief Fidel Castro Ruz visited the Defense Council of Plaza de la Revolucion Municipality which had activated all its alert systems to prevent serious damage due to possible storm surge penetrations in low-lying areas. All measures were taken in time and patrol cars notified the population of the developing situation. Three shelters have been set up, the products of 18 groceries store were moved to safer areas, and cooking gas tanks have been allocated just in case. Facilities such as El Castillito, Cohibar, Riviera, the Ministry of Foreign Relations, and the National Institute of Tourism, seriously damaged during the 13 March 1993 storm, safeguarded materials likely to be damaged in case of flooding.

The leader of the Cuban Revolution was given a detailed briefing on the measures being taken. The Plaza de la Revolucion Defense Council activated all system in the early hours of the morning.

Rizo Stresses Need "To Optimize" Work in Camaguey

FL0501173994 Havana Radio Rebelde Network in Spanish 1000 GMT 5 Jan 94

[Text] Julian Rizo, who is a member of the Politburo and first secretary of the Communist Party of Cuba in Camaguey Province, emphasized that encouraging efficiency, authority, and discipline constitute pillars for tackling the current phase of the work being done in Camaguey Province. Rizo said the watchword is to optimize. He insisted on the need to emphasize tasks such as self-sufficiency [in food], health, education, services, obtaining currency, sugar production, and others.

Rizo spoke before over 1,200 political and government leaders from Camaguey municipality and, in his speech, alluded to the impact on Cuba's socioeconomic development of the intensification of the Yankee blockade and the collapse of the socialist bloc. He called on those present to collaborate in a determined way to convert the current work phase into a concrete reality.

Latin American Solidarity Meeting on 25-28 Jan

FL0401221694 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Jan 94

[Text] An intercontinental solidarity meeting will be held in Cuba under the rubric "The Role of People's Movements in Latin America and the Caribbean in Drafting Alternatives to the Crisis".

From 25 to 28 January, Cuba will once again be the stage for the largest expression of intercontinental solidarity when it welcomes the participants to the Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of our Peoples.

The precedents for the meeting in Havana are similar meetings held in the capitals of Ecuador and Colombia in 1988 and 1989, respectively, as well as the Sao Paulo summit in 1991. The impact of the new political, economic, and military realigning of the world for the people and nations of Latin America and the Caribbean; U.S. policies on the threshold of the 21st century; and the role of people's movements in establishing democratic alternatives, among other things, are some of the political issues to be discussed in the meeting.

In terms of the economy, the organizers of the event have scheduled debates and conferences regarding regional reinsertion into the global economy; the effects of neoliberalism on the Latin American and Caribbean peoples;

and the peoples' alternatives for development and integration and their experiences and action programs. More than 1,000 people will attend the event, which will be fully underwritten by the participants. They will be lodged in the Pan American Village. The event will be held in the Convention Center.

In order to give direction to all the actions and results of the meeting, the continental organizing committee has called for the reactivation and strengthening of national committees. The national committees have among their main goals collecting funds to cover transportation costs and to fully underwrite the event, which is an expression of solidarity and material support for Cuba.

Vice President's Remarks on U.S. Ties Supported

PA0501174694 Havana Radio Havana Cuba in Spanish 0000 GMT 4 Jan 94

[From the "Commenting on the News" feature by Miguel de la Guardia for the "Evening Information Review" program]

[Text] Frequently, it has been said that secret or diplomatic contacts have been made to improve relations between Cuba and the United States, which have been historically at odds since the victory of the socialist revolution in Cuba 35 years ago. Apparently there were some secret contacts during the administration of President James Carter, according to Carlos Rafael Rodriguez, vice president of the Council of Ministers of Cuba, who revealed this in a recent interview.

Interviewed by GRANMA, the Cuban leader revealed some details of that communication, although he considered it very unlikely that there will soon be positive changes in Washington's attitude toward Havana. At that time, a secret meeting had been arranged between the high-ranking Cuban leader and then-U.S. Secretary of State Cyrus Vance, to be held at the apartment of then-U.S. Ambassador to the UN Andrew Young in New York City. At that time, a surprising accusation by President Carter was made against Cuba. He accused the Havana Government of being involved in an internal conflict in the African republic of Zaire. Vance, coming from a meeting with Soviet Foreign Minister Andrey Gromyko, was informed by the selfsame Carlos Rafael Rodriguez of what Carter had said, which also suprised the secretary of state. Consequently the negotiations were suspended. It was later seen that Cuba had nothing to do with the Zaire problem, but the moment for negotiating was over, Carlos Rafael Rodriguez explained.

We recall that those were the days in which Reagan's campaign for the presidency focused on accusing Carter of having a soft hand on foreign policy matters. Reagan based his campaign on Carter's inability to free the U.S. hostages being held by the Iranian Government, which became a scandal as a result of publicity by the large contingent of U.S. media influenced by the nation's extreme right. Carter thought it was necessary to harden his foreign policy positions, thereby foiling the secret negotiations with Secretary of State Cyrus Vance.

Carlos Rafael Rodriguez stated that the current administration of President William Clinton believes that the Cuban revolution might collapse at any minute and that is why it has not shown any interest in promptly settling differences with Cuba. Carlos Rafael Rodriguez ruled out the violent outcome the Republican administrations of Reagan and Bush hoped to provoke, adding that the current policy of Clinton will face the same fate.

This commentator agrees with the aforesaid position of the Cuban leader and predicts that it will be too late for Washington to improve relations, because Cuba is demonstrating it can once again defeat the empire's pressure.

Opposition at Home, Abroad Viewed

FL0601001294 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Jan 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Luis Sexto from BOHEMIA Magazine—live]

[Text] [Roque] As you know certain changes are taking place in our revolutionary process, changes aimed at improving this society which is already 35 years old. And the primary goal, of course, is to preserve the accomplishments attained over these years. However, abroad, in Florida specifically, there are those who have plans that differ from these changes. What is the alternative they advocate?

[Sexto] I could answer with a cliche, a standard phrase, or slogan and say that Cuba has no other alternative but socialism; but it seems to me that this is not the time for jaded phrases, slogans, or cliches. I believe it is time for arguments, for thinking, for meditation. Evidently, speaking clearly, Cuba has no other alternative, but then something curious happens. The changes taking place today in Cuba, changes aimed at reversing the crisis we are experiencing today, aimed at perfecting the economic means of our society, are seem by some as a form of frustration. In other words, some people, including honest Cubans, believe that everything being done in Cuba—tourism, investments by foreign companies, hard currency decriminalization—are measures that forcibly lead to capitalism.

This is, of course, an opinion that in certain cases I understand, because it is shaped by a very agonizing or desperate view of the situation. Others, of course, believe that these changes, this path, frees them from any commitments, and they are very opportunistically moving to the opposite path to take free shots at the Revolution which yesterday gave them everything, including an opportunity to develop their talents, potential, and raise and educate a family without major problems. Both opinions, however, are wrong. Cuba is not headed toward capitalism. That would be silly because it would mean opposing ourselves. Cuba is

engaged in a hard, burdensome struggle to overcome this objective period. This is an objective period of economic crisis designed to preserve this whole project which for 35 years has shaped the lives of Cubans.

[Roque] All this is being done to reinsert Cuba in the world of today, from which it cannot remain apart.

[Sexto] Exactly. I believe that at the beginning of the special period Carlos Lage said in an interview that Cuba is making a socialist opening to a capitalist world. I believe that everything should be seem from this perspective, which is a very broad vision, a vision that has to be flexible because it is subjected one way or another to the demands of a reality that changes very frequently and is at present very hostile. Cuba, of course, has to have the flexibility required to adapt to the emergencies of the times.

[Roque] These are paths we cannot relinquish.

We are discussing the alternatives advocated by the enemies of the Revolution.

[Sexto] Something curious happens: While certain highly concerned Cubans fear that Cuba might be moving toward capitalism, fear that the Communist Party of Cuba, the Revolution, the Cuban social project might end up being a capitalist society, others, at home and abroad, are thinking about pushing Cuba toward capitalism.

[Roque] What are the alternatives they advocate?

[Sexto] We cannot speak of alternatives, we have to speak of an alternative. For example, what would be the program of a counterrevolutionary government in Cuba?

[Roque] I can imagine it.

[Sexto] I believe that any intelligent Cuban knows what the alternative is. I took the time to research the information, read magazines, read cables, and I made a synopsis of the alternative that a counterrevolutionary government might offer the Cuban people, who they claim are greatly burdened.

[Roque] For example, there is the Cuban American National Foundation [CANF].

[Sexto] The CANF is the most powerful lobby in the United States. It is the most powerful for the simple reason that it has the most money and because until recently it enjoyed absolute support from U.S. administrations. It is a counterrevolutionary association created by businessmen. That is enough to make one apprehensive, for one to begin to worry. It is a group made up of businessmen that advocates an alternative for Cuba.

[Roque] These businessmen, of course, make monthly contributions to the foundation.

[Sexto] That group had up to a few years ago approximately 50,000 contributors, of course, businessmen. A few years back it had a membership of 276,000 people. All these figures should be taken with a grain of salt. There is no doubt that these figures may have been altered, there is no doubt that the CANF leaders might be saying that they have more supporters than what they have in reality. You know that Miami politics are a little extreme.

[Roque] Coming back to the issue: the alternative of the Miami-based CNAF.

[Sexto] What does the chairman of this organization, millionaire Jorge Mas Canosa, advocate? Mas Canosa believes that poverty ends with private ownership. We would have to ask him if he became rich sharing his money with the poor. That is the first question I would ask Mas Canosa. Mas Canosa believes that economic progress is only attained with a free market. We would have to ask Mas Canosa if the good life for 30 or 40 percent of the population in exchange for the poverty, pain, and misery of the other 60 or 70 percent could be called economic progress. Is it economic progress maintaining balanced budgets at the expense of the pain of the hungry, working majorities. I believe that all this is highly debatable. For the CANF and its president, the economic progress of Cuba can only be attained by becoming dependent on the United States. Of course, for a smart Cuban, all this is highly suspicious. I believe that we would have to say: Hey buddy, don't bother to defend me. What kind of an option is that? You are giving me the rock and the hard place option.

[Roque] We are discussing the alternatives advocated by the enemies of the Revolution. When I said alternatives, it is because we are going to refer not only to the one advocated by the CNAF but also to that of other groups which are not that far from that idea.

[Sexto] A few Sundays ago, the JUVENTUD REBELDE newspaper published an interview by journalist Luis Baez with a counterrevolutionary pundit named Tony Cuesta, whose crimes I believe everyone is familiar with. I believe that he recently passed away due to a heart attack. The interview was conducted when Cuesta was released from prison. He was jailed following an infiltration. A grenade had exploded in his hand; the Revolution's doctors saved his life. He served a few years in jail, was later released, and returned to Miami. In that interview, which was published many years after it took place, Tony Cuesta said that the great problem of the counterrevolution had been that it did not have an ideology, that the lack of an ideology had disunited them and that that had been their disadvantage in confronting the Cuban Revolution, which is a tightly knitt group of ideas, a highly cohesive political body.

I, of course, do not share this opinion. I believe that the Cuban counterrevolution does have an ideology. Its failure against the Cuban social project, the Revolution, is due to the fact that that ideology suffers much in a comparison with ours. It is not the lack of an ideology. Therefore, those groups have an ideology—in this case a bourgeoisie ideology, a capitalist ideology. Anyhow, all

these groups hostile to the Cuban Revolution hope for a return of capitalism in Cuba, of capitalism with its entire structures and laws.

[Roque] And therefore their platforms.

[Sexto] And therefore their platforms with some minor differences. For example, a few months ago I read an article by Carlos Alberto Montaner, the leader of the so-called Cuban Liberal Union, the heir of the liberals whot fled in disarray. He said in the articles published in the Miami NUEVO EL HERALD that Cuba, under a different regime, under different circumstances should never hope for economic development, that that was an idealistic chimera. He goes on to say that Cuba should forget its hope to develop the sugar industry because, in the end, sugar is worth nine cents, that it was better for Cuba to grow flowers, that Cuba would become wealthy selling flowers to Florida, of course, if the United States were to allow Cuba to export its flowers to Florida. More or less, you can see the ideas advocated by these men.

[Roque] That is his alternative.

[Sexto] That is his alternative. It seem laughable coming from a man with pretensions of being an intellectual.

[Roque] There also are platforms or alternatives advocated by dissidents at home.

[Sexto] I believe that the so-called dissidents at home.... [changes thought] I find it hard to use the term dissident. I fully agree with Silvio Rodriguez [Cuban singer], when he says that we have let them steal that word from us. A dissident is he who disagrees. A revolutionary can disagree with something he thinks is not right. That is a revolutionary attitude. We have lost the word dissident, and I find it hard to refer to dissidents within Cuba. I do not believe they are dissidents at home.

[Roque] They are counterrevolutionaries.

[Sexto] They are counterrevolutionaries. What alternative do they advocate for Cuba? The same as Mas Canosa: dependency on the United States; a return to capitalism. And in the political arena: freedom and democracy. This is even the motto of the CANF. We could think that the Cuban who today lives in Miami, mostly controlled by the influence of the powerful CANF, lacks the liberty to even express himself. We have spoken in this program about the Americas Watch investigation that concluded that freedom of speech in Miami is fully suppressed by the prevailing counterrevolutionary thinking. What freedom can we speak of? What democracy? We would have to ask Mas Canosa if in the future parliament he wants to organize in Cuba, the communist will be represented.

[Roque] Summarizing: There is a congruence among all these platforms, those abroad and those at home.

[Sexto] The alternative advocated by the counterrevolution is capitalism. The alternative advocated by the Cuban Revolution is socialism. There is no other alternative. All Cubans have to agree. All Cubans should think with national awareness. Cuba is only saved through the Revolution's options. There is no other way.

[Roque] Start thinking.

Lazo Presides Over PNR 35th Anniversary

FL0601152594 Havana Radio Rebelde Network in Spanish 1000 GMT 6 Jan 94

[Text] Best wishes from the people and political and mass organizations were conveyed by Esteban Lazo, first secretary of the Communist Party of Cuba in Santiago de Cuba and Politburo member, during the ceremony commemorating the 35th anniversary of the National Revolutionary Police [PNR]. Lazo presided over the main ceremony in commemoration of this occasion. Several PNR troops were promoted to the ranks of officer and noncommissioned officer. Seals denoting years of vigilance and combativity and the 30th anniversary of the CDR [Committees for the Defense of the Revolution] were presented during the ceremony held in Santiago de Cuba. It was also learned that activities were held throughout Cuba by PNR troops and the population, and political and mass organizations sent their best wishes to the members of the PNR.

Robaina Begins African Tour

FL0601141894 Havana Radio Rebelde Network in Spanish 1000 GMT 6 Jan 94

[Text] Cuban Foreign Minister Roberto Robaina begins a official tour of Africa today that will take him to Ghana, Zimbabwe, Zambia, and Namibia. Robaina's goals include examining and strengthening bilateral relations with each of those countries. Robaina highlights the importance Cuba attributes to its ties of friendship with the African nations, which systematically express their support for the Revolution.

[Havana Radio Rebelde Network in Spanish at 1255 GMT on 6 January 94 adds that Robaina's delegation comprises Alberto Rodriguez Arufe, foreign relations official of the Central Committee of the Communist Party of Cuba; Laureano Cardoso, department chief of the Ministry of Foreign Relations; adviser Domingo Garcia; and other personalities. One delegate pointed out that the tour, precisely at the beginning of the year, stresses the importance Havana gives to its traditional ties of friendship with African nations. He also commented that African nations systematically express their support of Cuba in numerous international forums and that the economic importance of these countries—Ghana, Angola, Zimbabwe, Zambia, Namibia, with approximately 3 million square km and a population of over 34 million—cannot be dismissed. In addition, there are political ties, particularly with Angola and Namibia, in whose independence Cuba played a significant role. Robaina will return to Havana on 23 January.]

Castro, Other Officials Meet With U.S. Visitors

FL0601142194 Havana Radio Progreso Network in Spanish 1200 GMT 6 Jan 94

[Text] Commander in Chief Fidel Castro received, at the Palace of the Revolution, 110 U.S. professionals who have come to Havana on a trip sponsored by the Cuban Studies Center of New York in coordination with the Cuban Institute of Friendship with Peoples, ICAP. The group is made up of university professors, economists, lawyers, journalists, physicians, and other professionals. The U.S. visitors have also met with Ricardo Alarcon, president of the National Assembly of the People's Government; Foreign Minister Roberto Robaina; Carlos Lage, secretary of the Executive Committee of the Council of Ministers; and Abel Prieto, president of the National Union of Cuban Writers and Artists, UNEAC.

Council of State Gives Order to Prima Ballerina

FL0401224494 Havana Cuba Vision Network in Spanish 0100 GMT 22 Dec 93

[Text] The Council of State of the Republic of Cuba, at the suggestion of Culture Minister Armando Hart, has presented the Juan Marinero Order to prima ballerina Alicia Alonso. The order was given in recognition of the significant accomplishments attained during her brilliant artistic career and her invaluable contribution to the development of culture on the occasion of the 45th anniversary of the Cuban Ballet. This was also a happy coincidence for Alonso who is celebrating her birthday today. Likewise, the National Culture award was presented to a group of artists and technicians of the Grand Theater of Havana who have dedicated their lives to this important artistic endeavor.

Jordan, Rizo Address Agricultural Challenges

FL0601145094 Havana Radio Progreso Network in Spanish 1200 GMT 6 Jan 94

[Text] Alfredo Jordan, who is a Politburo member and also minister of agriculture, said in Las Tunas that the main challenge before the more than 600,000 sector workers in Cuba is to increase production this year and progressively reduce the state subsidy to agriculture. Julian Rizo Alvarez, first secretary of the Communist Party of Cuba in Camaguey Province, at a meeting with rural leaders expressed the opinion that every Basic Cooperative Production Unit in cane agriculture should have a tractor and a plow with which to prepare the land. He explained that he defends this idea because plowing must be done rapidly for cane recovery.

* Day Care in Agricultural Centers Established

94P2O183A

[Editorial Report] Havana GRANMA in Spanish of 14 December 1993 on page 2 reports that, although the economic situation prohibits the building of new day-care centers, resolution 203 of November 1993 provides for day-care centers for children ages 2 through 5 to be established in sugar- and agricultural-related work centers. According to the article, State resources budgeted for food services and raw materials may not be applied to day care; rather, the work centers must provide for day care from their own resources. If a center does not have the means to establish day care, then food services will be suspended. Health services for the children include a guaranteed supply of potable and boiled water, according to the article.

* UBPC Importance, Operations Detailed

* Rationale Explained

94CA0057A Havana BOHEMIA in Spanish No. 41, 26 Nov 93 pp 30-33

[Article by Caridad Carrobello, Luis Sexto, and Pedro Juan Gutierrez]

[Text] It is a definitive step. It was meant to be and that is what we are working for. Changes in agriculture are the most appropriate adaptation, the adaptation most suited to the circumstances in which the country finds itself, but those changes are only now becoming apparent.

In this initial article, BOHEMIA takes a look at a number of aspects relating to the formation and operation of the Basic Cooperative Production Units (UBPC), but does not exhaust the subject. In future issues, we shall focus on problems with collection, the important participation of the Youth Labor Army (EJT), and volunteer mobilizations. This look at the UBPC is based on statements, questions, and answers that explain what they are, the purpose for which they are being created, who the fundamental participants are, the task being assigned to science, and the role that will be played by the combined study-work program.

The Cuban Ministry of Agriculture is hard at work developing the UBPC because they must bear fruit in the near future and help remedy the shortage of resources.

It is a secret to no one that, compared with previous years, the early months of 1993 were marked by a sharp drop in all types of farm production. As a result, various measures are being adopted in order to make the most of the productive reserves of farm workers.

Minister of Agriculture Alfredo Jordan is optimistic: "There is one cardinal element that makes us feel confident and it is that our farm workers are highly motivated, satisfied with what they are now doing. The outlook has to be good."

In addition to being a realistic measure, turning the land over to those who work it is unquestionably a strong incentive for men in rural areas, but that is not all. According to various experts, when an individual feels that he is the owner of the means of production and thus of the product of his work, he can face the challenge of producing more even though fuel, lubricants, fertilizer,

chemical products, and other resources are in short supply. Because what is his is truly his, he will take extra care to see that his crops are weeded, that no land lies fallow, and that he has the right number of plants in his furrows. He will plant and harvest at the right time because, in addition to being responsible, he will be the direct beneficiary of his work.

Deputy Minister Oscar Basulto, the Agricultural Ministry's man in La Habana, explains: "We have always said that under socialism, we were all owners, but to tell the truth, that was just talk. We have never had the real owner in the field. With the UBPC, the same man who formerly worked on the farm will stand guard, machete in hand, making sure that no one riding by on a bicycle will snatch a single one of the yucca cuttings that he planted because they no longer belong to the enterprise. Rather, they belong to him and his cooperative. I am sure that millions of ways to save on transportation, fertilizer, and fuel will emerge. The farmer will be much happier to get his shoes muddy!"

Another argument wielded by those ordering the changes is the feeling of autonomy they give to producers. It is a feeling growing out of the very creation of the Basic Cooperative Production Units because the regulation gives the cooperative complete freedom to decide how many members will band together, elect or replace the board, and dismiss poor workers without any other organ having any voice in the matter. It establishes work rules, defines how much workers are to be paid in advance, distributes profits, and approves production plans.

The new element is that these plans are not designed "from above"; rather, they are drafted by the rank and file in response to the voice of experience of producers, the recommendations of experts in the unit and the enterprise, and paying heed to government agencies that are responsible for meeting the nation's needs. The single production plan is not a "strait jacket," but may be adjusted. However, it does establish production discipline based on the people's consumer needs.

In addition, we would like to address the subject of something frequently heard concerning a change in thinking in rural areas. I believe it is premature to use the phrase, particularly when one realizes that it is impossible to remove from the minds of those who for years were involved in administrative centralism their poor use of resources, their failure to make the most of work done in the fields, and other forms of agricultural blight. We must not forget that the current changes are being made using the same men.

However, we must also recognize that many persons are beginning to take a serious look at problems in Cuban agriculture motivated by a sincere desire to do something about them. For example, incorporation into the UBCP means that team members once irritated by the lack of management of countless activities will now have an opportunity to participate in the solutions directly.

Like every child that is born, these structures must be raised in a healthy manner, far removed from strong and inherently harmful temptations. A few reflections are therefore called for.

Taking for granted the need to meet man's needs as a top priority so that he will feel well and therefore produce more, a number of dangers nevertheless lie in wait: excessive gloating, commitments to take on more than one can accomplish, the use of language and tones by the enterprise and the UBPC not likely to achieve understanding, and excessive advance payments that will not force the farm worker to better performances in search of greater final earnings, thus compromising in the end financial resources of the unit that would be better put to other uses.

Other viruses harmful to the health of the UBPC might include the failure to adequately estimate the requirements of planting or the use of assigned resources, as well as not being alert to the possible diversion of products for individual gain. A far more harmful element affecting the collection process would be a lack of punctuality in picking up products or discouragingly low prices like those still paid for certain products.

Problems spotted in time have solutions. We desperately hope that this new idea succeed because our kitchens depend on it.

[Box, p 32]

Basic Questions

1—What are they? The UBPC are a new form of organization of farm work. They emerged from a process of gradual adjustments being made on farms, ranches, and state-owned enterprises aimed at achieving a closer connection between man and the specific area where he works. The experience of outstanding CPA's [Agricultural-Livestock Cooperative] was also taken into account.

2—Where are they being set up? Wherever farm work exhibits suitable conditions in terms of crop features, land, and infrastructure to be transferred to the unit's jurisdiction. Land areas must not be too large or too small to operate efficiently.

3—How are they being set up? On a voluntary basis, meaning that anyone, whether it be a farm worker, crew member, housewife, or worker from some other branch of activity may join a UBPC. The cooperative community decides who will belong to the unit and chooses its president from among the members. Although there is no surplus labor force, the new units are to reduce their staffs as a way to achieve efficiency and profitability.

4—What is their goal? To increase food production. This task goes hand-in-hand with a series of measures aimed at ensuring the stability of the labor force and reversing the exodus from rural areas to our cities.

5—Who will benefit from these changes? Cooperative workers receive the land and housing for their use free of charge. In exchange for their efforts, they are guaranteed of products for themselves and their families and, in addition to receiving advance payment periodically for their work, they participate in the final distribution of profits. Those achieving the best results will benefit the most. All of this will result in increased productivity and in the end, the prime beneficiary will be the recipient of this farm production: the people.

* Minister Explains Advantages

94CA0057B Havana BOHEMIA in Spanish No. 41, 26 Nov 93 pp 33-35

[Interview with Agricultural Minister Alfredo Jordan; place and date not given—first paragraph is BOHEMIA introduction]

[Text] Minister of Agriculture Alfredo Jordan is little inclined to interviews: "The best advertising will be to put the food on the plates," he says. Despite that honorable stance, during a recent tour of La Habana Province with a group of newsmen covering the sector, he agreed to dispel doubts and even to think aloud about issues yet to be defined.

[BOHEMIA] Mr. Minister, in the midst of so many shortages, is it logical to claim that the UBPC will increase production?

[Jordan] We all have high hopes. I recognize the need for resources in order to achieve high crop yields. The "microjet" banana, for example, requires fuel for irrigation and the application of potassium, neither of which we currently have. However, if you take constant care of this crop, if you trim the shoots and remove the leaves, make sure the sprinkler gets the plant properly wet, prune the plants at the proper time and get rid of the weeds, you will increase production. That is what we are after in trying to bring man closer to the land that he works.

The new system of farming increases the feeling of ownership, economy, and the optimum use of resources. To the extent that we work efficiently in these units—and we are already observing great motivation—with weeded crops, the right population on plantations, and everyone interested in results, you will see success in production despite material limitations.

[BOHEMIA] In the UBPC, how many men will be behind desks and how many closely linked to the land?

[Jordan] In these cooperatives, all workers are directly involved in production. Depending on the day's activities, the president will also work in the fields because that is where the economy, the yearly plan, is truly designed and also because, like the rest of his community, he is committed to producing.

At the present time, three or four persons make up the UBPC administrative staff. The number of reports has been cut substantially.

[BOHEMIA] Do you think the enterprises will decline in importance?

[Jordan] No. I would say they have more work. What is interesting is the change in their duties. The enterprise no longer administers, but by virtue of its role as the government's representative, it is the organ that draws up the annual plan together with the UBPC, provides technical and material support, buys production, helps supervise and oversee how crops are doing, and observes whether technical requirements and scientific guidelines are being met.

[BOHEMIA] In what areas of agriculture will there be no UBPC?

[Jordan] They do not all have to have a UBPC. Certain state enterprises such as Isla de Turiguano in Ciego de Avila, for example, do not have to be included in cooperatives. There they have 11,000 head of cattle on 700 caballerias of land. La Cuba in the same province has a plan to reach 140 caballerias of microjet bananas and may continue as it is. It even suits us that they have decided to remain as state entities because we shall be able to make comparisons with the UBPC.

Our analyses have shown that certain aspects such as genetics, the fattening of livestock, and special plans to raise mules, horses, buffaloes, and so on, should not change. With respect to citrus fruits, there are places where changes are not possible because they do not have such important infrastructures as housing. In poultry and hog raising, the conditions for change do not exist either because there is not enough feed.

[BOHEMIA] In other words, different forms of agricultural production will exist.

[Jordan] We shall have the UBPC, the state farms that cannot go into cooperatives because they do not present the right conditions, the CPA [Agricultural-Livestock Cooperative], CCS [expansion not given], and the once fallow land that has now begun to produce in the hands of collectives made up of our comrades. In addition, you have areas allocated for the production of tobacco and the half hectares given to those who set up a kind of family garden as part of the action of the People's Council.

[BOHEMIA] What about collection?

[Jordan] The organization of the system of collection has been harshly criticized. There are flaws. Products do not arrive on time, there are losses and diversion and so on.

Reorganization is a complex task because we must take three different situations into account: the capital, the provincial capitals, and the rest of the country.

I do not think there will be any problem with allowing producers to take their harvested crops to sell in the town squares of the municipalities and small towns. However, the case of the provincial capitals and large cities is different because many municipalities tax products. That is where collection mechanisms must be carefully worked out.

The most difficult situation is in the capital because as many as 1,200 sales outlets must be in the rural areas. We are currently discussing proposals based on a detailed analysis.

[BOHEMIA] Will mobilizations of support diminish with the changes in agriculture?

[Jordan] We want cooperatives to have the labor force they need. Some may try to reduce wage costs by cutting personnel, a phenomenon that we must follow closely because it could affect how well crops are cared for.

This is why I do not think the development of agriculture can be based on mobilizations, but rather, on the proper use of specialized labor. However, we have to be realistic. Solutions are not just around the corner and mobilizations will still be needed, particularly for peak harvest times, even though I think we shall now be more rational in terms of their number and use.

[BOHEMIA] What will be done with production surpluses?

[Jordan] It is difficult to speak of surpluses when we have not even managed to raise production to a level that meets the basic needs of the population. I wish our problem tomorrow would be to decide what to do with surpluses! Nevertheless, let us not get ahead of ourselves. I think that when that happens, we shall analyze it as one element that will further stimulate and unleash productive reserves.

* Workers as Owners

94CA0057C Havana BOHEMIA in Spanish No. 41, 26 Nov 93 p 37

[Article by Luis Sexto: "An Interpretation: Mine and Ours"]

[Text] Cuban public opinion, never idle even if a few ill-intentioned souls claim the contrary, has formulated a disturbing question in the face of the political decision to cooperativize state land: Is this a step backward or forward?

Theoretically speaking, from a clearly abstract position that is perhaps based on the rigidity of a manual, the state-owned agricultural enterprise, with its vast areas that stretch forever and its totalizing mechanization, is apparently a more advanced economic concept than a workers' cooperative.

The launching and completion of the agrarian reform was apparently marked by a rather covert conflict between the two concepts: Article 43 of the law promulgated in La Plata in 1959 informed the INRA (National Institute for Agrarian Reform) of the suitability of organizing cooperatives on nationalized land to the extent possible. A few were in fact set up. Later on, thinking turned more to the formation of state-owned entities. At the time, the Cuban economy was able to rely increasingly on the advantages of the socialist foreign market, resulting in an exponential increase in the amount of machinery and consumable expenditures available for use on vast government-owned properties, initially known as farms and later as enterprises. That agricultural organization created citrus fruit plantations, rice paddies, and scientifically designed banana plantations, and also created poultry and dairy farms turning out enormous amounts of production. It erred in other ways, however. There was no direct, organic connection between the worker and the land. Excessively low wages could not keep man tied to farm production. Incentives such as housing and a reliable supply of consumer goods for workers were lacking despite the fact that communities were built and that the state market delivered eggs, milk, and fish to the far corners of the country.

The result was that the farm worker and his family headed for urban areas in search of more attractive options. Today, only 20 percent of our population resides in rural areas.

Cooperativization tends to reverse this trend.

A debate over whether the enterprise is more socialistic than the cooperative would be futile now and serve only to heighten erudite pretensions. The fact is that Cuba no longer has the external advantages that enjoyed the benefits of specific laws, certain plans, and a number of social goals. Agriculture will have to make up for some of the machinery, fertilizer, and insecticides by means of innovations and solutions from man because what we need is a stimulating structure that will touch the individual and force him to reveal his true capabilities.

According to the cooperative concept, which is a bold, realistic, and flexible political measure, the worker is the direct owner of production. While the land remains under the state or the nation, a closer, more deeply felt, decisive link is forged between man and the land. Results and work are truly bound together, inserted into the framework of an independent community whose interests cannot, at the risk of inefficiency, allow paternalism. For their own sake, these same interests will encourage the worker to build his house and nourish himself from his own land without being forced to wait for his commercial ration.

It remains for the Basic Cooperative Production Units (UBPC) to accept the challenge of practice. In terms of hope, they promise to be efficient agricultural cells, now and forever. In a sense, practice has already handed down its verdict: A wage disconnected from productivity and production cannot create the feeling of social property in the worker's conscience. The profitable and

recommendable experience of the farm cooperatives votes in favor of the UBPC. In them, the producer has efficiently combined two relations that once seemed unreconcilable: what is mine and what is ours.

Antigua and Barbuda

Year-End Review Reveals Dominant Issues

FL0501173294 Bridgetown CANA in English 1632 GMT 5 Jan 94

[Report by Colin James]

[Text] St. John's, Antigua, 5 Jan, CANA—Political issues were dominant in Antigua and Barbuda in 1993 and a new leader was chosen for the ruling Antigua Labour Party (ALP). The opposition party consolidated its unity, a government minister was pardoned from a one-month prison sentence, a new governor general was sworn in, and a fight between government and a group of environmentalists over a controversial tourism and marine development project were other issues making the headlines.

Planning Minister Lester Bird was elected at an ALP convention to succeed his 84-year-old father Vere Bird, Sr. as the new leader. Bird, a former deputy prime minister before he resigned from his father's cabinet in 1991 in the aftermath of a commission of inquiry, defeated his main rival, Information Minister John St. Luce, 169 votes to 131 on September 5. After months of campaigning following the tied vote, Bird was able to emerge a comfortable victor with his brother Vere Bird, Jr., defeating Health Minister Adolphous Freeland to become the ALP's new chairman. Bird will be leading the ALP into forthcoming general election early next year and has committed himself to winning all 16 seats.

"I will be taking 16 warriors in battle and I intend to emerge with everyone alive," Bird said during his victory speech.

Prime Minister Bird will be leaving the political scene next year and in a farewell address at the convention, he said: "I have served my course, I am a satisfied man."

However, the ALP convention was subject to several postponements as wranglings emerged concerning the procedure to be adpoted in selecting the delegates for the convention. Former trade minister and outspoken government backbencher Hugh Marshall had declared his candidacy for the leadership, but withdrew from the ballot a week before the convention because he did not receive a seconder. Marshall had threatened to take legal action against the party.

As the ALP struggled to put its house in order, the opposition United Progressive Party (UPP) held its first national convention in April, where trade unionist Baldwin Spencer was re-elected unopposed as its leader. Spencer nominated newspaper editor and political activist Tim Hector as his deputy, and the party set about selecting candidates for the next general elections. The UPP also staged several demonstrations outside the Ministry of Information in a campaign for air time on state-owned radio and television which led to Spencer being granted 15 minutes.

Just days after its convention, the governing ALP administration was stunned by the news that Agriculture Minister Hilroy Humphreys was sentenced to a one-month imprisonment for contempt of court in a case brought before the courts by the Barbuda council, which had a long-standing dispute with government over the ownership of lands on the sister island. A high court judge had cited Humphreys and two associates of two sandmining companies for contempt when they carried out sandmining in a specified area of Barbuda on behalf of the central government in contravention of an interin court order. An appeal was made to the Eastern Caribbean Court of Appeal but was thrown out because the proper procedure in filing the motion was not followed. However, the country's new governor, General Sir James Carlisle, granted the minister and the two associates a pardon. That decision upset the local legal community, and the opposition announced it was taking steps to bring legal action against the governor general. Spencer said the UPP intended, "to take the issue to the highest level". Sir James became the country's second head of state since independence in 1981, succeeding Sir Wilfred Jacobs who retired because of ill health. He was sworn at a special sitting of parliament in June which was boycotted by the leader of the opposition because he was not consulted on the choice.

1993 could not have started on a more controversial note for the government when it become involved in a potentially explosive exchange with a group calling itself the Environmental Coalition. It was protesting the constructing of a hotel complex, golf course, and marina close to a mangrove swamp. Members of the group had attempted to lie in front of bulldozers in an effort to stop work. The government's Development Control Authority (DCA) had put the project on hold pending an environmental impact assessment study, but Prime Minister Bird gave the developers the go-ahead to continue work. In a terse statement, Bird said: "Bulldozers do sometimes run over people." The enviromentalists were unsuccessful in forcing a permanent work stoppage, but operations soon ceased on the instructions of the developers.

Almost simultaneously, the Bird administration came under fire for the appointment of former works minister Vere Bird, Jr. and ex-Army chief, Colonel Clyde Walker, who were deemed unfit by a commission of inquiry to hold public office in important government posts. Bird, Jr. was named an adviser to the prime minister while Walker was appointed as a consultant in the Ministry of Aviation. Pressure from inside the government and the opposition forced the cabinet to rescind the decision. A displeased prime minister said both men had suffered

because of the 1990 commission of inquiry into the illegal shipment of Israeli-made arms and ammunition to Colombia.

Again parliament was the scene of drama as ALP backbencher Hugh Marshall publicly opposed bills brought before the House by Public Utilities Minister Robin Yearwood and Finance Minister Molwyn Joseph. Marshall said Yearwood kept a computer in his office for the purpose of victimising consumers he did not find favour with. His outburst sparked an angry reaction and a strain in his relationship with long-time friend Lester Bird. Marshall's attack on Joseph's Business Licence Act prompted the finance minister to deliver a salvo at his colleague. The legislation was also opposed by the business community as well as other ALP parliamentarians and was subsequently withdrawn.

Another bill to suffer similar fate was the Free Zone Act which was rejected by the Senate on the grounds that certain sections were ambiguous, anti-labour, and could interfere with established business practices here. Trade Minister Lester Bird did not accept the rejection in good spirits. Lester Bird's role concerning the financing and construction of Italian-funded development projects, including the nine-story Royal Antiguan Resort and the ultramodern Heritage Quay Shopping and Harbour Complex. [as received] The weekly opposition-linked OUTLET newspaper carried a series of articles on the issue and Bird reacted by filing a libel suit against its editor, Tim Hector.

The publication of a book, "Caribbean Time Bomb," weeks before the ALP convention, again raised questions about government, and in particular, the prime minister, his son Lester, and the U.S Government's relationship with the administration.

The Antigua and Barbuda economy continues to experience moderate growth and predictions are that it will perform a little better than the two percent of 1992. The finance minister said the country's per capita income was more than U.S. 5, 000 dollars.

"Although it is an indicator of good development in our economy, it also works to our disadvantage because the World Bank has established U.S. 1,800 as the level to determine whether a country... That is accessible to concessionary funds," Joseph said. He said the International Monetary Fund (IMF) had expressed satisfaction with the country's self-style structural adjusment programme introduced two years ago. Tourism, the main engine of growth in the economy, recorded growth of 6.2 percent up to last July.

As 1993 closes, the country's two political parties were busily campaigning for forthcoming general elections which are constitutionally due by March 1994. Latest predictions suggest the parliamentary opposition is expected to make a strong showing at the polls with the ALP retaining the balance of power.

Haiti

Aristide Spokesman's Statemenmt Over VOA Cited

FL0501225594 Port-au-Prince Signal FM Radio in French 1130 GMT 5 Jan 93

[Excerpts] Jean-Claude Martino, spokesman for President Aristide, announced on 4 January that the 15 January conference would essentially turn on the question of refugees. The political crisis talks also will tackle the problem of a massive exodus of Haitians. It is difficult today to prevent desperate Haitians from going aboard on flimsy boats in order to reach the coasts of Florida.

President Jean-Bertrand Aristide demands the departure of the military officials before the designation of a new prime minister, his new spokesman Jean-Claude Martino said. During a statement in Creole on the Voice of America, Martino recalled the obstacles faced by the government of resigning Prime Minister Robert Malval, a government which could not function. As long as those obstacles are not removed, you can appoint another thousand governments; they will not be able to function, because those who prevent them (?form) an illegal government of dictatorship that fears neither God nor man and that has no other program than to kill Haitians and to make money, Martino said.

Several Haitian parties, including the National Congress of Democratic Movements, which is one of the two rival branches of Haitian socialism and which favors Father Aristide, have demanded recently the quick appointment of a new prime minister by Mr. Aristide so as to get the country out of the crisis. [passage omitted]

The U.S. State Department has let it be understood that the question of governing the country will have to be resolved before tackling the refugee problem. The State Department has coldly reacted to the idea of a conference on the problem of refugees on 15 January.

Politicians React to Aristide's 1 Jan Statement

FL0501225394 Port-au-Prince Radio Metropole in French 1700 GMT 5 Jan 93

[Excerpts] The latest message to the nation from the president-in-exile is the object of comment, notably in Parliament. The watch words "mobilization iron cuts iron" were launched by Jean-Bertrand Aristide, who maintains the hope of returning.

Deputy Evans Beaubrun thinks that the president-in-exile fluffed his entrance into the new year. The legislator interprets President Aristide's statements as a sort of convocation to civil war. He hopes that the population rejects this proposal of indian wrestling, just as they reject a solution of a clean sweep advocated by other sectors. The year 1994 is the year for compromise, according to Deputy Beaubrun.[passage omitted]

Another legislator, close to the National Front For Change and Democracy [FNCD], interprets differently the statements made by the president on 1 January. Isaac Garcon, from FNCD, sees the message as an encouragement to the people in order to keep them mobilized in favor of democracy. [Passage omitted] Mayor Evans Paul also reads differently the watch-words "iron cuts iron": [Begin Paul recording in Creole] I do not know what the president meant by "iron cuts iron," but I know, considering the framework of democracy in the country, iron also could mean the Constitution. Iron also could mean the law, respect for democratic principles that we have always defended. I do not want people to interpret the word iron as violence because the president always speaks in images. For someone who always respects principles, the law, the Constitution is iron. [end recording].

Attack on Mexican Consulate in El Paso

PA0401132194 Mexico City XEW Television Network in Spanish 1200 GMT 4 Jan 94

[From the "Echo" newscast]

[Text] The Mexican Foreign Relations Secretariat has reported in a communique that a group of unidentified persons attacked the Mexican Consulate in the U.S. city of El Paso on 3 January. According to the communique, the attack took place in the early hours of 3 January when some unidentified persons hurled a rock and a Molotov cocktail inside the Consulate. Fortunately, no injuries were reported and material damage was minimal. A similar incident took place at the same Consulate a year ago.

Roundup of Economic Developments Through 4 Jan

PA0501161994

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 4 January. Source is cited in parentheses following each item.

In 1993, Pemex placed on the international market a daily average of 1.347 million barrels of crude oil for total revenues of $5.578 billion. Pemex reports that an average 271,000 daily barrels of light Isthmus oil, worth $1.347 billion, were shipped to clients in the continent, Europe, and the Far East. In addition, a daily average of 870,000 barrels of heavy Maya oil, worth $3.124 billion, were shipped to these three main regions. Of these sales, 64.8 percent went to Mexico, 15 percent to Spain, and 6 percent to the Far East. (Mexico City NOTIMEX in Spanish 0051 GMT 29 Dec 93)

The Mexican Secretariat for Commerce and Industrial Development [Secofi] reports that the country's economic stabilization effort and microeconomic reform makes for a promising outlook for 1994 regarding Mexico's NAFTA partners. The country's per capita GNP increased 1.1 percent in the past three years. Mexico's commerce grew 12.6 percent in 1989-1991. (Mexico City NOTIMEX in Spanish 0207 GMT 29 Dec 93)

As of the end of 1993, private corporations owe $38 billion to foreign banks. This is 160 percent higher than the amount owed in 1989. In addition, it represents 10.3 percent of the country's GNP. (Mexico City Radio ACIR Network in Spanish 0200 GMT 29 Dec 93)

As of October 1993, Pemex had produced 14.275 million tons of petrochemical products, including 710,000 tons of ammonia, 1.095 million tons of ethylene, 415,000 tons of high- and low-density polyethylene, and 9.36 million tons of acrylonitrile, dodecabenzene, styrene, methanol, and other substances. (Mexico City NOTIMEX in Spanish 2057 GMT 29 Dec 93)

Pemex is the first Latin American firm to enter the European stock market, a Pemex source has reported. In 1993 the corporation placed bonds worth $1.5 billion in Europe. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 Dec 93)

Secofi has reported that despite the U.S. economic recession the assembly plant industry increased 9.4 percent annually, jobs created by 6.5 percent, and U.S. dollar revenue by 19 percent from 1989 to 1992. At the end of the third quarter in 1993, there existed in the country 2,182 assembly plants with 552,078 jobs, and a revenue surplus of $4.063 billion. (Mexico City NOTIMEX in Spanish 2322 GMT 2 Jan 94)

Government Denies ETA 'Mafia' Presence

PA3112003293 Mexico City XEW Television Network in Spanish 0435 GMT 30 Dec 93

["Text" of bulletin released by the Mexican Government Secretariat on 29 December; from the "24 Hours" newscast]

[Text] The Government Secretariat rejects the charges published in the headlines of the 28 and 29 December issues of the Spanish newspaper ABC which say that the ETA [Basque Fatherland and Liberty] mafia network is established in Mexico. The Secretariat rejects these charges, because there is no evidence, much less suspicion, to support these claims. On the contrary, what is evident is the disproportionate tone in which the matter is discussed in the report which seems to be a typical case of yellow journalism aimed at forcing the government to take forceful measures disregarding individual guarantees.

With regard to the reports in question, the Government Secretariat wants to make it very clear that they are not based on facts or official statements. They are only based on the assumptions of the journalist who wrote the report, based on informal interviews with public officials during his visit to Mexico.

The Government Secretariat does not acknowledge the truth of the headlines, headlines that assert that the ETA mafia has established itself in Mexico through business fronts for international terrorism or that ETA is establishing a sanctuary in Mexico to finance itself through kidnapping and extortion. Thus, it is also not true that the ETA has established an operations' base in the States of Mexico, Guanajuato, and Queretaro.

These reports claim Mexican authorities possess important leads on businesses connected to the weapon's cache found in Managua, a few months ago. This is also false. It is true that we investigated a report which connected Mexican citizens who work at a consultant firm with the Managua arsenal. Based on this, the reporter assumes the existence of Mexican businesses connected not only with the ETA but with other international terrorist groups.

It is true that Basque citizens have legally resided in Mexico since their admission in the early 1980's. However, one cannot surmise, as Mr. Jesus Maria Zuluaga does with exaggerated irresponsibility, that they are terrorists and much less ETA mafia members as he calls them. One must reiterate that concerning matters of legal residence, the Government Secretariat does not pass judgment on the basis of the political preferences of foreign residents in Mexico. It only asks them to meet legal requirements, and acts on the basis of irrefutable evidence and fully respects the human rights of its residents.

Regarding Mexico's immigration policy, it is very conscientious and demands adherence to all legal regulations. At the same time, it is open to reciprocal agreements facilitating the exchange of persons, for tourism and commercial purposes. The benefits granted by these reciprocal agreements must not be confused with a lack of strictness in the admission of foreigners into Mexico.

In conclusion, the Government Secretariat reiterates that the corresponding authorities scrupulously watch over the nation's security and that, under no circumstances, will illegal activities be permitted. In the case of accusations against foreigners, these must not be groundless, and no actions will be taken based on prejudice or political differences that are foreign to this country.

Chiapas Crisis

Rebels Steal 1.5 Tonnes of Explosives from Pemex

PA0501175994 Mexico City XEW Television Network in Spanish 0430 GMT 5 Jan 94

[From the "24 Hours" newscast]

[Text] The Attorney General's Office announced tonight [4 January] that on 31 December in Ocosingo, approximately 200 heavily armed members of the group that has risen up in arms attacked Mexican Petroleum's [Pemex] RSS-6 exploration brigade, from whom they stole 1,566 kg of dynamite, 10,440 detonators, and the truck used to transport the explosives. The Attorney General's Office says there is evidence the explosives may have been used to destroy bridges in La Virgen and La Florida, 15 and 13 km from Ocosingo respectively.

12,000 Soldiers Involved in Counteroffensive

PA0501151994 Paris AFP in Spanish 1037 GMT 5 Jan 94

[Report by special AFP correspondent Francis Kohn]

[Text] San Cristobal de Las Casas, Mexico, 5 Jan (AFP)—AFP has confirmed that considerable reinforcements sent by the Mexican Army, including a column of armored personnel carriers, arrived in San Cristobal de las Casas (southern Mexico) on the night of 4 January as part of an operation launched against the Zapatist rebels who are beginning to retreat.

Fifteen armored personnel carriers, jeeps equipped with light artillery and several ambulances crossed San Cristobal on Tuesday around 2200 apparently heading toward Ocosingo, which was still occupied by the rebels of the Zapatist National Liberation Army [EZLN].

Military authorities are still keeping quiet regarding the ongoing operations against the EZLN, which launched a surprise attack on 1 January. Apparently, some 12,000 soldiers are participating in the counteroffensive.

According to several witnesses, the rebels—who reportedly total 1,000—continued their withdrawal from various towns on Tuesday, moving their casualties to the mountain area.

Army Recovers Regions Taken by Zapatist Rebels

PA0501151094 Mexico City NOTIMEX in Spanish 1132 GMT 5 Jan 94

[Excerpt] San Cristobal de las Casas, 5 Jan (NOTIMEX)—The authorities announced that the Mexican Army has been able to recover several townships taken over last Saturday by an armed group in the southeastern State of Chiapas, although there are still some regions that are considered "unsafe."

Official Spokesman Eloy Cantu stated last night that the government had virtually recovered control of San Cristobal de las Casas, Ocosingo, Las Margaritas, and Altamirano, population centers occupied by the so-called Zapatist National Liberation Army [EZLN].

Nevertheless, in reporting on the events that took place in Chiapas, the aforementioned Mexican Government spokesman explained that "there are still specific areas where conditions of insecurity still persist." "Institutional life and normalcy are painstakingly being recovered, in other words, with each passing moment civilian authority is being reinstated," Cantu stated.

Dozens of bodies with evidence of bullet wounds where laying along Ocosingo's streets after the Army was able establish control of the last population center taken by the armed group. The rebel groups decided to withdraw to the mountain region located in the north-central part of Chiapas.

In Ocosingo, located 800 kms south east of Mexico City, Zapatista members attempted to hold on to the last population center it originally took. After taking over the first four communities, the up until now unknown EZLN began to appear in other communities such as Abasolo, Chanal del Carmen, and Oxchuc. During the last few hours the rebel group also withdrew from Oxchuc. [Passages omitted]

Government Proposes Framework for Talks With Rebels

PA0501144394 Mexico City NOTIMEX in Spanish 1335 GMT 5 Jan 94

[Report by Miguel Angel Velasquez]

[Text] San Cristobal de las Casas, Chiapas State, 5 Jan (NOTIMEX)— Through its official spokesman, Eoloy Cantu Segovia, the Mexican Government this morning asked the armed rebels operating in this area of the state to hold talks and lay down and surrender their weapons.

Talking to reporters in this city, Cantu Segovia, who is also the Government Secretariat's senior officer [oficial mayor], conveyed the government's readiness to begin talks at once with the armed group. He added "that for the purpose of avoiding greater loss of lives, the Federal Government is reiterating its readiness to establish an immediate dialogue with the armed group that began its operations the first of this year."

To begin this dialogue, the government also proposed a framework of understanding that consists of four points:

1. The ending of hostilities and attacks on towns and persons.

2. The laying down and surrendering of weapons, including the 1.5 tonnes of dynamite stolen on 31 December.

3. The return of hostages and kidnapped persons.

4. The identification of interlocutors and leaders of the armed group.

The official spokesman affirmed that "with strict adherence to the absolute respect for human rights, the government will make the allowances contemplated by the law with those who accept this invitation to a dialogue and lay down and surrender their weapons."

Rebels Reject Dialogue With Government

PA0501153194 Madrid EFE in Spanish 1432 GMT 5 Jan 94

[Text] Tuxtla Gutierrez (Mexico), 5 Jan (EFE)—The Mexican Government today asked the rebel Zapatista National Liberation Army (EZLN) to establish a dialogue and end the armed struggle, but the guerrillas have refused.

Eloy Cantu Segovia, the sole spokesman for the Mexican Government in Chiapas, today reiterated the authorities' resolve to establish a dialogue on the condition that the rebels lay down their weapons.

In response,the guerrillas sent a brief message to the local television station rejecting any type of negotiation with the government and announcing that the armed movement will continue.

National Defense Secretariat Updates Bulletin

PA0501172294 Mexico City Radio ACIR Network in Spanish 1616 GMT 5 Jan 94

["Bulletin" issued by the Mexican National Defense Secretariat on 5 January; from the "Panorama" newscast]

[Text] Yesterday the village of Ocosingo was completely occupied by military personnel after a strong attack by groups of aggressors who had taken over certain installations. Traces of blood and much destruction was found upon arrival at the municipal palace. The same holds true in the case of the local radio station and two hotels where the attackers were holed up. The bodies of nine aggressors were found in a sewer at the municipal market. The aggressors had tried to take away the bodies through the sewer system, which served as their escape route. The aggressors had resisted the Army for more than 48 hours from this point.

It should be noted that some groups of attackers still remain in hiding in Ocosingo and occupy certain buildings, especially privately owned homes, where occupants are being held hostage. Army troops continue patrolling the area to capture or dislodge them.

To the south-east, villagers in Independencia and Las Margaritas are now under military protection. One of the aggressors was captured in San Juan Chamula. On the road that links the city of Comitan to Las Margartias, a four more guerrillas were arrested, including a Guatemalan citizen. Near the military installation in Rancho Nuevo another attacker was detained. Lastly, in Ocosingo, 20 of them were captured. All of the detainees will be turned over to the appropriate authorities, who will carry out investigations.

Military personnel evacuated from Ocosingo 84 adults and 125 children who expressed a wish to leave the area. This group was given lodging in the DIP [expansion unknown] installations in the city of Palenque. Likewise, five policemen belonging to the Chiapas State Public Security Directorate and two Judicial State Police officers were evacuated after they were wounded by the attackers. The policemen were transferred to the city of Villa Hermosa where they are receiving medical attention at the area military hospital. The number of dead rebels has increased to 65 while 34 remain under arrest.

Rebels Occupy Town Near Guatemalan Border

PA0501201094 Madrid EFE in Spanish 1849 GMT 5 Jan 94

[Text] San Cristobal de las Casas (Mexico), 5 Jan (EFE)—Today, several Social Security workers confirmed to EFE that some 1,000 rebels of the Zapatist National Liberation Army [EZLN] are still occupying the city of Guadalupe Tepeya, located only 800 meters from the Guatemalan border.

The workers, who traveled from Guadalupe Tepeya to San Cristobal de las Casas today, said that the rebels have mined the road leading to Guadalupe Tepeya and kidnapped 100 civilians. The informants could not state whether there are any members of the Public Forces among the hostages. The workers added that the residents of Guadalupe Tepeya had noticed some unusual activity since 19 December, and that in the last hours the power lines were sabotaged.

Thus far there are no reports of confrontations between the Army and the rebels in that area of the Mexican State of Chiapas. Guadalupe might be the only city that remains occupied by the EZLN, following its declaration of war on the Mexican Government on 1 January.

Meanwhile, some fighting is still being reported in the neighborhood of Ocosingo as well as bombings on the outskirts of San Cristobal de las Casas. A radio station commentator said that the Mexican Army bombed three vehicles with 16 reporters that were heading to the combat zone near San Cristobal de las Casas, but the reporters escaped unharmed.

Army Recovers Control of Ocosingo

PA0501232294 Paris AFP in Spanish 2100 GMT 5 Jan 94

[Report by AFP correspondent Francis Kohn]

[Text] Ocosingo, Mexico, 5 Jan (AFP)—AFP has verified that after three days of fighting the Mexican Army recovered control early this morning of Ocosingo, 160 km from Tuxtla Gutierrez, capital of the southern Mexican State of Chiapas.

The bodies of Zapatista guerrillas in the streets of this town, with 8,000 residents, are a testimony of the bitter fighting that took place.

Journalists have verified that Army Infantry Battalions 17 and 73 occupied the city Wednesday morning. Journalists have counted 37 bodies, apparently members of the Zapatista National Liberation Army [EZLN], which seized Ocosingo.

Most of the dead had head wounds. Inside the Municipal Marketplace, where the stench of death pervades the environment, 12 bodies laid. Next to some of them were wooden rifles turned into rudimentary bayonets.

Armed Forces personnel at the site refused to comment, and no official report on the number of casualties has been made. According to certain reports, however, more than 100 people could have died in Ocosingo.

The townspeople, who had been hiding for three days, took to the streets this morning with white flags to inspect the damage. They covered their noses to avoid the stench.

The mayor's office, located in the main square, and its interior were burned to a cinder. The neighboring bank saw the same fate, and the facades of many buildings are riddled with bullet holes.

Resident Jorge Gomez said that "there were several hundred guerrillas, and they only brought us misfortune."

According to several witnesses, some of the rebels were heavily armed, but others—mostly young Indians—carried only old rifles or machetes.

According to these witnesses, the leaders were not Mexican but Guatemalan and Salvadoran.

Jorge Gomez added: "I think the peasants were fooled by professional guerrillas who led them to a carnage."

The road leading to San Cristobal de las Casas and Ocosingo was blocked with felled trees and large rocks. The Army was all but absent.

Nevertheless, the presence of the Armed Forces around San Cristobal was heavy, and the press was barred from that road on Wednesday.

Bishop Ruiz 'Understands' Indian Revolt

BR0501152694 Rome L'UNITA in Italian 5 Jan 94 p 11

[Interview with Samuel Ruiz Garcia, bishop of San Cristobal, by unnamed L'UNITA correspondent in San Cristobal on 4 January: "'My Church Suffers With the Rebels. It Is as If History Had Stopped Here'"—first two paragraphs are L'UNITA introduction]

[Text] San Cristobal. When Rigoberta Menchu succeeded in escaping from Guatemala, shocked by the extermination of her family, Bishop of San Cristobal Samuel Ruiz Garcia took her under his care. Don Samuel not only helped Rigoberta reacquire her psychological integrity. For over 30 years now he has been fighting against the injustices that oppress the heart of Mexico. Now he has written to the Vatican asking for explanations regarding the accusations that have been made against him: He wants clarifications concerning the charges, which according to him are generic, making reference to an excessive partiality toward the poor as well as mistakes in doctrine and reduced pastoral activity. It is the prelate himself that is making the criticisms made by the nuncio in Mexico, Girolamo Prigione, in "indirect" relation to the coming presidential elections in Mexico and the privatization of land following the approval of the treaty on free trade (NAFTA). That is what the bishop states in an article that will be published in the next issue of the monthly NARCOMAFIE, which has provided a leak on the text.

Don Samuel is small, dresses in white, and has an energetic and cordial appearance. He wears a small amber cross around his neck—amber is one of the few riches in this extremely poor Chiapas. While I talk to

him, I cannot help thinking that it is fossilized resin, the tear of a tree that has been fossilized for years.

[L'UNITA] San Cristobal de las Casas is a town that was famous for its tranquillity. It has suddenly turned from being a faraway suburb to the center of the "global village" thanks to the work of the Zapatist army. What is your point of view about what is happening?

[Ruiz Garcia] I will tell you what our position is. And this is our, not my position because it represents the opinion of all three bishops of the State of Chiapas. We have three dioceses here: Tapachula, Tuxtla Gutierrez which is the capital of the State, and San Cristobal de las Casas, which is the oldest of the three. Looking at the present and future, we bishops from Chiapas have issued a first notice to our followers in the three dioceses in which we show our concern over the recent events. We regret the line of action chosen by the Zapatist army and consider it to be the result of the anguish and suffering of the Indians of this region and we understand their pain and frustration. We can understand that what they did in their anguish appeared to be the only way out of a situation that has been going on for centuries. Over the past 500 years these native populations have come to occupy the lowest ranks of our society. Their situation has always been misunderstood or denied. On the other hand we consider that there are objectively other paths that have still not been attempted and understand that psychologically the Indians cannot see any other way out. And this has led them to declare war against the Mexican Army.

[L'UNITA] Don Samuel, the international press has suddenly realized that you are the object of an attempt to remove you from your seat. In reality, this attempt began in October, but the news was not made known in Italy. It is also true that until a few days ago Chiapas was not in the news...

[Ruiz Garcia] I can understand that the Vatican covered this news up, but here in Mexico it was reported in all the press with a wealth of detail. However, let us return to the current situation: We bishops in Chiapas have made a second joint communication in which we offer ourselves as mediators between the two conflicting parties in order to initiate peace talks. Of course we are waiting for the two sides to approve this mediation. Yesterday evening (Monday 3 January—L'UNITA Editor's Note) I met with the other two bishops to establish how we would act in our commitment to serve. We are aware of the role that the Church can play in starting talks and we have urged for the approval of the two parties.

[L'UNITA] Was the response a positive one?

[Ruiz Garcia] We have already received the government's assent but we have not received a response from the guerrillas. This does not mean that they are refusing our offer but simply that we have no channel to communicate with them. The only ones that can help us establish contacts are the mass media.

[L'UNITA] Today San Cristobal is well and truly under siege. The main square and therefore the cathedral and the seat of the bishopric are heavily garrisoned by soldiers. Don't you feel encircled?

[Ruiz Garcia] In reality, the whole center is militarized. I myself can enter and leave whenever I choose. All that happened is that I once had to drive down the wrong side of the street to park my car.

[L'UNITA] It appears that you do not have fewer enemies than your great predecessor. The same malicious rumors, which originated most probably with the Chiapas landowners, are trying to present you as the fomenter of this new guerrilla warfare. What is your reply?

[Ruiz Garcia] Just this morning I received a publication via fax from Berkeley in the United States which carries an interview with the EZLN [Zapatist National Liberation Army] members. Here any tie or relationship with the bishop of San Cristobal de las Casas is decidedly denied, though his work in support of the human rights of the Indians in his diocese is recognized. And the mud slung on him by the local authorities is denounced. The Zapatists have said: "The bishop is not giving us weapons but at least he is not doing any injustice." When people began speculating about guerrillas from Guatemala taking part, the Zapatists stated: "We are all Mexicans."

[L'UNITA] More should be said about the situation that has caused these events...

[Ruiz Garcia] All the people that travel to this area are certainly very surprised. Here we are living in a kind of time warp, as if time has stopped. And we can see this primarily by seeing how the native communities live. It is a truly depressing situation, the Indians have always been considered the dregs of this society. One cannot avoid asking oneself what has happened, what caused this situation. Above all, why there has never been a substantial change, what has the Church been doing all this time, and what official measures were really taken to put a stop to this situation?

Armed Forces Resume Bombing of EZLN Positions

PA0501192694 Madrid EFE in Spanish 1834 GMT 5 Jan 94

[Text] San Cristobal de las Casas, Mexico, 5 Jan (EFE)—The Mexican Armed Forces on 5 January resumed bombing enemy positions in the mountainous zone of San Cristobal de las Casas, Chiapas State, civilian sources told EFE.

At least three helicopters and two planes are participating in the bombings that began in early this morning in a zone located approximately 4 kms south of San Cristobal de las Casas and where there are 13 Indian towns with a population of 5,000. The main towns under

attack, where clashes have been held with scattered guerrillas of the Zapatista National Liberation Army (EZLN), are: Corralito, San Isidro, El Ocotal, Corazon de Maria, San Antonio Los Banos, and Pinavetal.

The residents of San Cristobal de las Casas have said the situation has become "alarming" because the bombings started behind the mountain ranges and are now continuing on the outskirts of the city, although sources said that at first glance one cannot detect the presence of guerrillas. The sources could not say how many soldiers are involved in the operation but noted there are 10,000 soldiers just in the state's capital, Tuxtla Gutierrez, in addition to other contingents in Altamirano, Las Margaritas, and Ocosingo, where the fighting continues.

Official reports indicate the bombings and clashes have ceased, although there is the possibility that the authorities have refused to give information on the new attacks to keep it from leaking to other rebel groups and warning them.

This past Tuesday alone, approximately 5,000 soldiers, 27 tanks, two amphibious vehicles, 18 all-terrain vehicles, two fuel trucks, a repair unit, and 10 troop transport trucks arrived in San Cristobal de las Casas. Unofficial sources indicated that the Army had possibly uncovered several rebel headquarters located in the Lacandona jungle and those were the objectives being bombed at the moment. According to experts, the force deployed to Chiapas is greater than any used by neighboring Central American countries against a particular guerrilla force. This force has become a genuine military offensive.

Unofficially it is being said that, despite the Army having regained near total control of the municipalities of Ocosingo, the Zapatists continue to harass nearby communities. Ocosingo as well as the communities of Altamirano, San Cristobal, and La Margaritas have not yet returned to their daily work or school activities, neither has potable water, electricity, or gas been reestablished.

On the other hand, several warnings have appeared written in red on the walls of buildings in the municipality of Tapachula, located 12 kms from the Guatemalan border, indicating: "We are already here, we will continue our struggle," and describe the population as cowards.

In the meantime, rumors still persist in San Cristobal related to the alleged capture of "Commander Marco," leader of the armed uprising that broke out this past Saturday. The prosecutor general of the republic has scheduled a news conference in the next few hours to provide details on the numerous rumors circulating on the situation.

'Exclusive' Interview With Rebel Leader 'Marcos'

PY0501221794 Buenos Aires PAGINA/12 in Spanish 5 Jan 94 p 5

["Exclusive interview" with "Commander Marcos," who is "in charge" of the rebellion, by Roger Gutierrez, in San Cristobal de las Casas on 1 January—published in LA JORNADA newspaper of Mexico City—passages in italics are Gutierrez' commentaries]

[Text]*1 January, San Cristobal de las Casas, 1930 hours. I walked toward the main entrance of City Hall, which was occupied by members of the self-styled Zapatista National Liberation Army (EZLN). I asked to speak with Commander Marcos. An Indian carrying a gun told me to go in. I climbed to the second floor. Everything is destroyed; only the lamps hung intact from the ceiling.*

[Gutierrez] Commander, your troops, the EZLN, seem a bit too weak to march into Mexico City and overthrow Salinas. Is your attitude a bit naive?

[Commander Marcos] Look, if you are waiting for our arrival in the capital, it will take some time. *he chuckles* But seriously, I can tell you that what you see here in San Cristobal is only a very small portion of our troops; many of our men would never be recognized because they wear clothes from the mountains, where there are many more Zapatistas than you or the government can imagine. Beside, we do not expect to arrive in the capital with our men alone but with many more who will join us along the way.

[Gutierrez] Your weapons are much less powerful than the Army's. Is that a great disadvantage?

[Commander Marcos] Our weapons are the people and we know the mountains better than anyone.

[Gutierrez] Where were you born?

[Commander Marcos] I can tell you I am a Mexican, like all the struggling members of the Zapatista Army. I am not from Chiapas, however.

[Gutierrez] Where did you receive your military training?

[Commander Marcos] I can tell you I have military training but nothing else. I know the difference between fighting in the city, in the countryside, in the flat lands, in the mountains, in the jungle, and in the desert.

A colleague of Commander Marcos addresses him and they talk for a few minutes. I look around. I see Chiapas Indians, armed with really old guns except for some 19 or 20 of them who carry better weapons. I take the opportunity to ask one of them about the reasons and risks of this uprising, and the only reply I received was: "We have been shafted, we are hungry, but we are fighting. We have no home or medicines, but we are fighting."

I return to Commander Marcos who just learned that the uprising was reported on television. He stares at me and says: "Let's see if those sons of bitches continue to deny the existence of guerrillas in Mexico."

[Gutierrez] Have you anything to do with Liberation Theology?

[Commander Marcos] No, we have become liberated without any theology. *he laughs* Among our people we have evangelists, Catholics, atheists, sorcerers, etc. I am not joking about the sorcerers. There are sorcerers from Chiapas.

Marcos seems well instructed and very sure of his statements. He jokes around as if his life were not in serious danger

[Gutierrez] Does the EZLN want new elections after a transition government?

[Commander Marcos] We are demanding real elections for the first time in many years. What we now have, what they are planning for Colosio is just a masquerade. We all know that the votes do not count and that everything follows the whim of (Carlos) Salinas, who is a usurper and a traitor. We demand real elections with a chance for all parties, not just for the PRI [Institutional Revolutionary Party].

[Gutierrez] Everything seems to indicate that the inhabitants of San Cristobal are not in the least happy with your attack on this city. Everyone on the street is making comments like, violence doesn't lead anywhere and other similar things. Are you not worried about this repudiation by the people?

[Commander Marcos] Of course I would prefer things to be different. But I want to clarify that San Cristobal's residents and the non-Indian population are racists. If one of them boards a bus and an Indian is seated, they make him stand to allow the other person to sit. If an Indian is coming down the street, either walking or on his bicycle, they will drive their cars dangerously close, threatening the Indian. If those kind of people condemn the EZLN, you can imagine that I do not care in the least.

"As for the issue that violence doesn't lead anywhere, I can answer you that we have adopted this extreme position because of the institutional violence that causes us to die of cholera, malaria, or measles; which allows the Army to permanently violate human rights; and which allows hunger and misery to prevail in the country, all because of Salinas. We do not even want to become the government. We only want a democratically elected government and respect for ethnic groups.

Another thing I would like to clarify is that I am not the leader of the EZLN. We do not have a leader; we have a committee. I am only in charge of the operation in San Cristobal." [quotation marks as published]

Clashes Continue in Ocosingo

PA0601012894 Mexico City Radio ACIR Network in Spanish 0030 GMT 6 Jan 94

[From the "Vector 21" newscast]

[Text] Clashes are continuing in the area of Ocosingo, Chiapas. As a result, the Mexican Army has restricted access to that municipal capital. During the clashes, rebel gunfire hit a Mexican Air Force helicopter, causing mechanical failure.

Salinas Asks Ombudsman To Ensure Human Rights

PA0601015994 Mexico City Radio ACIR Network in Spanish 0041 GMT 6 Jan 94

[Report by Elizabeth Diaz Otero from the "Vector 21" newscast]

[Text] President Carlos Salinas de Gortari has reaffirmed that respect for the civilian population's human rights, along with gauarantees that allow media representatives to carry out their duties, is of foremost importance in the search for a solution to the conflict in Chiapas.

The president ordered the people responsible for organizations involved in operations in the Chiapas highlands to ensure this. The Mexican president on 5 January asked Jorge Madrazo Cuellar, president of the National Human Rights Commission, to visit Chiapas to correct any situation that might harm civil rights. The Mexican ombudsman headed for San Cristobal de las Casas on the afternoon of 5 January.

Congressional Commission To Probe Uprising

PA0601043494 Mexico City Radio ACIR Network in Spanish 1933 GMT 5 Jan 94

[Report by Jose Luis Armenta from the "Vector 21" newscast]

[Text] The Permanent Commission of Congress has reached an agreement on the violent events in Chiapas State. The legislators proposed the creation of a commission comprising senators and deputies that would be tasked with investigating the events in the country's southeast. The legislators are also demanding from the authorities more information on the insurrection in Chiapas.

Here are some of the proposals that the Permanent Commission has made on the Chiapas case. The proposals are read by Institutional Revolutionary Party Deputy Efrain Zuniga Galeana.

[Begin Zuniga recording] The Permanent Commission of Congress proposes:

1. To urge those who are carrying out armed protests to contribute to an end of the fighting, to accept mediation,

and to contribute—together with the authorities and society—to the establishing conditions suitable for dialogue and negotiations.

2. The people are entitled to systematically receiving truthful and timely information.

3. The formation of a group composed of legislators from the three working commissions. The group will be responsible for securing the necessary information to suggest, within the framework of its attributions and responsibilities, political solutions to the situation that prevails in Chiapas State. [end recording]

The legislators of the Permanent Commission also said that in order to safeguard the country's independence and sovereignty, it is necessary to maintain constitutional order in Chiapas State.

Spokesman, Human Rights Ombudsman Discuss Events

PA0601034394 Mexico City Radio ACIR Network in Spanish 0124 GMT 6 Jan 94

[Report by Juan Carlos Santoyo]

[Text] We arrived in San Cristobal de las Casas, Chiapas State, after a long journey, as has been the case in the past days. We learned that Eloy Cantu Segovia, the federal government's official spokesman in San Cristobal de las Casas, will give a news conference. He told us, as we reported to our listeners moments ago, that Jorge Madrazo Cuellar, president of the National Human Rights Commission, would visit San Cristobal. We will give details of Madrazo's news conference later.

He reported that there were clashes overnight, that clashes continued at about 0400, especially in the mountain areas near San Cristobal de las Casas. It was also reported that the rebels managed to corner a squad that was attacking these law violators, but the Mexican Army rescued them.

Cantu admitted that there are still areas where uncertainty prevails. The rebels continue to operate out of and to hide in houses, as was the case in Ocosingo. Members of the Zapatista National Liberation Army [EZLN] are hiding in houses there and holding its occupants hostage to protect their own lives.

He said that the bodies of 20 EZLN members were found in Ocosingo. According to the observations and estimates we made on 4 January, the EZLN sustained more than 30 dead here. Cantu added that the rebels have sustained 61 dead so far. This is the figure registered by the Mexican Army, which managed to arrest 34 subversives.

As for Jorge Madrazo Cuellar's visit here, Cantu said that the priority is to ensure a respect for human rights and the civilian population. He added that greater guarantees will be granted to reporters to allow us to perform our work. Cantu also reported that in a few hours there will be shipments of food, potable water, and food to the residents of Ocosingo, which will mark its fifth day under siege, so to speak, or amid clashes.

Cantu profoundly regretted the incidents involving our fellow reporters who were sent here. He added that each incident will be investigated. We will now hear Jorge Madrazo Cuellar, president of the National Human Rights Commission, during his news conference.

Madrazo said that he came with other officials of this commission to register complaints and reports on human rights violations during the clashes. Madrazo reaffirmed that each of these reports will be investigated, because human rights are respected and guaranteed in Mexico. He added the following:

[Begin Madrazo recording, in progress] ...in Tuxtla Gutierrez. We initially responded to a request to help in evacuating tourists from the conflict area [words indistinct] I am accompanied in this work brigade by the first general inspector, the third general inspector, experts on criminology and forensic medicine, and personnel who are involved in investigations and communications.

At this juncture of the conflict the National Human Rights Commission's work will focus on offering support to civilians who have nothing to do with the armed confrontation. The commission will also register all existing evidence on alleged human rights violations. The investigation and the report on conclusions will take place within the terms established by the Constitution and the Basic Law of the National Human Rights Commission. [end recording]

These were the highlights of developments that occurred on 5 June in San Cristobal de las Casas, Chiapas State.

Cuban Envoy Denies Havana Supplying Rebels Arms

PA0601024194 Mexico City Radio ACIR Network in Spanish 0144 GMT 6 Jan 94

[Report by Marcela Gutierrez for the "Vector 21" newscast]

[Text] The armed struggle is not the way to resolve the problems Mexico is facing, Cuban Ambassador to Mexico Jose Fernandez de Cossio Rodriguez has said. He added that the situtation in Chiapas does not justify an armed uprising. Let us listen to the statements of Fernandez de Cossio:

[Begin Fernandez de Cossio recording] The armed struggle, as many other ways of settling problems in some countries, is not a universal recipe. In the places in which armed struggles have been waged, they have been caused by a series of factors, which do not appear to be present in the case of Mexico. [end recording]

In an interview here at the Foreign Relations Secretariat, the Cuban diplomat rejected the possibility that the weapons used by rebels may come from that Caribbean

island. He voiced his country's solidarity with the decisions of the Mexican Government to seek a peaceful solution to the armed clashes in southern Mexico.

Government Spokesman Details Situation

PA0601130194 Mexico City XEW Television Network in Spanish 0435 GMT 6 Jan 94

[From the "24 Hours" newscast; passages within quotation marks recorded]

[Text] Socorro Diaz Palacios, deputy secretary for Civil Protection and Social Prevention and Readaptation, released a communique issued by the Government, National Defense, and Social Development Secretariats and the Attorney General's Office clarifying that the attack by armed groups on four Chiapas State municipalities is not an Indian uprising.

[Diaz] "This is not an Indian uprising. In the past few days various Indian and peasant communities in the four municipalities have rejected and taken action against this armed group."

She said the armed group is comprised of two different elements.

[Diaz] "There is a professional leadership, expert in leading violent and terrorist acts, well-educated, made up of both Mexicans and foreigners. The leadership has high-powered weapons and uses sophisticated communications equipment. The others are Indians and peasants, many no older than 14 or 15, with deficient education and training, armed with machetes, shotguns, or small caliber weapons."

She explained that the four municipal capitals are now secure, but the radical group continues harassing the Army. This is why security measures are being reinforced.

[Diaz] "The government is making an enormous effort to assure that the effect on civilians of these attacks be an minimal as possible."

She spoke of specific instructions for civilian defense.

[Diaz] "There will be no arbitrary actions or violations of rights. Those who violate these principles will be punished according to law."

Socorro Diaz explained that the government has publicly accepted the call by the Chiapas bishops and the Evangelical Church asking that the violence end and that human life be respected.

[Diaz] "The armed aggressor group has said nothing; their reply has been to continue the violence. The Army is fulfilling its constitutional obligation of preserving peace, ensuring domestic security, and protecting the population in their villages."

Diaz reiterated the government's recognition of backward conditions and a history of abuses and neglect in Chiapas. For this reason the government was forced to be extremely prudenct.

[Diaz] "The government did all it could to avoid violence."

She said that in 1993 there were clashes between the Army and the radical group on three occasions, but the Army's preventive measures were discontinued at the request of non-government organizations. Increased dialogue was then pursued, as were social and economic solutions for the area.

Guatemalan National Admits Active Role in Events

PA0601134694 Mexico City NOTIMEX in Spanish 1130 GMT 6 Jan 94

[Text] Mexico City, 6 Jan (Notimex)—The Mexican Government announced today that Guatemalan national Jesus Sanchez Galicia has acknowledged participating with the armed rebels operating in the southeastern Mexican state of Chiapas after having received military training in Guatemala. The office of the Attorney General of the Republic (PGR) pointed out that Sanchez Galicia "participated in two clashes in an area, tentatively identified as Tekom," where at least 40 members of the armed group that appeared last Saturday in the state of Chiapas were killed. The PGR details in a communique that when Sanchez Galicia was questioned after his arrest, he indicated that he had received "commando" training in Guatemala where he had learned to use long range and large caliber weapons. Sanchez Galicia, according to the PGR communique, said that he had also participated in the takeover of the community of Ocosingo where members of the so-called Zapatist National Liberation Army [EZLN] had an intense encounter with the Army before withdrawing.

The communique notes that following the Ocosingo incidents, Sanchez Galicia escaped into the mountains and subsequently boarded a bus headed toward Villahermosa, capital of Tabasco, a southeastern state neighboring Chiapas. Both Chiapas and Tabasco border Guatemala.

Mexican authorities reported this Wednesday that they had captured 34 Zapatists, including Sanchez Galicia, after the EZLN violently attacked several communities and clashed with the Army in encounters which according to official reports resulted in hundreds of casualties.

The PGR points out that Sanchez Galicia was assembling another group that was preparing operations in a region called Nueva Era, near the city of Champoton in the southeastern state of Campeche.

The communique explains that Sanchez Galicia was captured at a checkpoint set up along the Chiapas-Catazaja junction in Tabasco, bordering Chiapas. Checkpoint officials, the PGR communique adds, decided to question Sanchez Galicia, who was travelling on a bus, because of suspicious looking "scratches" on his body and his soiled clothes.

Sanchez Galicia was turned over to federal attorney general agents who continued the investigation.

The communique also states that authorities have obtained a "composite sketch" of the so-called "Commander Marcos," who has been identified as one of the main Zapatist leaders. He is male, 1.74 meters tall, athletically built, light dark skin, approximately 25 years old, deep green and very large eyes, dark hair, straight and broad nose, round face, average mouth, and bushy eyebrows. The PGR added that two specific features of the so-called "Commander Marcos", who supposedlly speaks two languages, is that he is pockmarked and bald.

Costa Rica

Self-Styled Movement Offers To Send Combatants to Mexico

PA0601004994 Hamburg DPA in Spanish 1804 GMT 5 Jan 94

[Text] San Jose, 5 Jan (DPA)—A Costa Rican group, which claims to be struggling to achieve the autonomy of Guanacaste Province, northern Costa Rica, has offered to send combatants to Mexico to support the actions of the Zapatista National Liberation Army (EZLN), a local newspaper reported today.

The newspaper EXTRA reported that the self-styled Autonomist Movement of Guanacaste for Bread, Work, and Dignity [Movimiento Autonomista de Guanacaste por Pan, Trabajo y Dignidad] has issued a communique stating that "we are at their disposal to send combatants."

Jose Antonio Korea, the group's information [divulgacion] secretary, said that the organization has been present in other struggles, such as those in Nicaragua, El Salvador, and Panama.

He added that Guanacaste residents identify with those of Chiapas, where the EZLN has staged a rebellion, because the Mayas influenced the two cultures.

According to this leader, his group has "people ready" to be sent to fight in southern Mexico.

Government Bans Recruits

PA0601005894 Hamburg DPA in Spanish 2325 GMT 5 Jan 94

[Text] San Jose, 5 Jan (DPA)—Foreign Minister Benrd Niehaus said today the Costa Rican Government will not allow local groups to recruit men to reinforce the rebels who began a rebellion in southern Mexico on 1 January.

Niehaus downplayed the importance of an announcement released by the self-styled Autonomous Movement of Guanacaste for Bread, Work, and Dignity [Movimiento Autonomista de Guanacaste por Pan, Trabajo, y Dignidad], which said it was willing to recruit fighters to go to that country.

The foreign minister, remarking that the group is meaningless in Costa Rica, said "the statement lacks seriousness."

Nevertheless, he warned that if evidence should indicate that any Costa Rican organization is involved in plans to support the armed conflict in Mexico, the government will order the appropriate investigations.

El Salvador

President Cristiani Rejects Newspaper Report

PA0501161194 Panama City ACAN in Spanish 2327 GMT 4 Jan 94

[Text] San Salvador, 4 Dec [as received] (ACAN-EFE)—Today, Salvadoran President Alfredo Cristiani rejected reports that appeared in Washington related to U.S. pressure in 1984 on Roberto D'Aubuisson, deceased Arena [Nationalist Republican Alliance] leader, to deter possible attempts against then U.S. Ambassador Thomas Pickering.

Cristiani stated during a news conference that the reports that appeared in the 4 January edition of U.S. daily "THE WASHINGTON POST" which includes recently declassified documents on the past Salvadoran conflict, is based on "unconfirmed" information.

The U.S. newspaper pointed out that in May 1984 former President Ronald Reagan sent Vernon Walters, a veteran diplomat and former military officer, to meet with D'Aubuisson, founder of the government party Arena, to warn him that he would be held accountable for any attempt against Pickering. According to the newspaper report, Walters warned D'Aubuisson that any attack on Pickering, who had received threats from right-wing death squads "would result in all U.S. aid being terminated."

However Cristiani, although acknowledging that General Walters' visit to El Salvador had taken place, explained that it was to discuss issues related to selecting a provisional president as a result of the crisis taking place at the time. Alvaro Magana was finally selected as provisional president. He added that Walters met with the Major D'Aubuisson, who died in 1992, because as president of the National Assembly he was at the time one of the principal players in national politics and there was urgency to search for a person "agreeable to everyone to occupy the presidency while the constitution was being drawn up."

The Salvadoran president regretted that U.S newspapers published only "one-sided information" and added that he has documents declassified by the United States and he could also refer to the thousands of murders involving the former Salvadoran guerrillas.

Cristiani criticized an alleged propaganda campaign unleashed against Arena and emphasized that all the documents carry a warning heading to the effect that the U.S. State Department does not guarantee the accuracy of the information, and that it is simply information gathered by chance.

In November 1992, U.S. President Bill Clinton declassified a large number of confidential documents related to the Salvadoran conflict (1980-92) which has caused some controversy in El Salvador after being published in U.S newspapers.

Rejects U.S. Reports ARENA Leader

PA0601012494 San Salvador EL DIARIO DE HOY in Spanish 5 Jan 94 pp 3, 21

[Text] President Alfredo Cristiani complained yesterday that U.S. newspapers only publish "unilateral reports" that adversely affect ARENA [Nationalist Republican Alliance], but they do not publish reports "on the thousands of murders committed" by the Farabundo Marti National Liberation Front (FMLN) during the war.

The president thus rejected reports published in Washington on alleged U.S. pressure exerted on the late ARENA leader Roberto d'Aubuisson in 1984 to prevent an attack on Thomas Pickering, who was serving as U.S. ambassador at the time. Cristiani added that a report appearing in the U.S. newspaper THE WASHINGTON POST, which cited official documents on the recent Salvadoran war that had been kept secret until recently, are based on "unconfirmed" information.

President Cristiani admitted that General Vernon Walters visited his country in 1984. He added, however, this was related to the selection of an acting president, who turned out to be Alvaro Magana, in view of the political crisis facing the country at that time.

He added that the U.S. soldier met with Major d'Aubuisson, who died in 1992, because he was among the most prominent local politicians in his capacity as president of the Constituent Assembly, and he added that "they were searching for a consensus person to occupy the Presidency while the Constitution was being drafted."

Cristiani said he has all the documents that the United States declassified, adding that he could list thousands of murders involving the FMLN, including that of Presidency Minister Dr. Antonio Rodriguez Porth in June 1989.

The president criticized an alleged propaganda campaign unleashed against his party. He said that all those documents bear a headline stating that the Department of State does not guarantee the veracity of the information and that this is simply information collected by chance.

U.S. President Bill Clinton made public in November 1993 a large amount of secret information on the Salvadoran war (1980-92). Publication of this information in U.S. newspapers has already unleashed several polemics in El Salvador.

President on Arms Transfers to Guatemalan Rebels, Mexico

PA0501223894 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 5 Jan 94

[From the "KL Radio News" newscast]

[Text] Defense Minister Colonel Humberto Corado and General Mario Rene Enriquez, Guatemalan defense minister, have examined in San Salvador issues related to the possible transfer of weapons of former Salvadoran guerrillas to Guatemalan rebel forces.

President Alfredo Cristiani has said that there is no concrete evidence on information disclosed by Guatemalan authorities related to weapons caches destined for Guatemalan guerrillas originating from El Salvador; he added, however, that the clues they have so far are quite convincing, and he expressed his concern for rising violence in Guatemala, where the last guerrilla group in Central America is still active.

In reference to the armed uprising that has been taking place during the past few days in Mexico—which is led by the peasant group the Zapatista National Liberation Army—Cristiani expressed his regret that even Mexico has a problem now.

We all wish that this type of problem did not exist and we are willing to cooperate with each other, the president added.

With respect to the events in Mexico, the Salvadoran president said that the participation of Central American nationals has not been confirmed; nevertheless, he announced that the issue would be examined together with Mexican authorities during an official visit. Cristiani did not disclose when the official visit to Mexico would take place.

Cristiani Accuses FMLN of Having Weapons, Violating Accords

PA0601044494 Paris AFP in Spanish 2115 GMT 4 Jan 94

[Text] San Salvador, 4 Jan (AFP)—Salvadoran President Alfredo Cristiani today said the former Salvadoran guerrillas still maintain weapons used during the past civil war, thereby violating the peace accords that call for the total destruction of war materiel belonging to the former rebels.

In a news conference, Cristiani declared: "I am convinced that nobody in his right mind could guarantee that the FMLN (Farabundo Marti National Liberation Front) has destroyed all of its weapons, because we all know this is not true."

Additionally, Cristiani revealed that the government has thousands of documents linking the FMLN to the assassination of rightist leaders and ideologists during the past decade, the responsibility of which was later denied by the former guerrillas. According to Cristiani, Presidency Minister Antonio Rodriguez Porth appeared to be one of those victims. He was killed nine days after the current government took office in June of 1989.

The Salvadoran president also stated that the UN Observers for El Salvador (Onusal) were kept informed of the existence of weapons and groups of former guerrillas who are still armed.

"They have had weapons in Nicaragua, and they have weapons in our country," insisted Cristiani, who did not give details on the alleged weapons still in the hands of former rebels.

In August of 1993, Onusal issued a communique proclaiming the total destruction of the FMLN arsenals, although it warned that there was a very good chance that weapons could turn up in the future in isolated cases.

Guatemala

URNG Communique Denies Ties to Mexican Rebels

PA0601015094 Guatemala City SIGLO VEINTIUNO in Spanish 5 Jan 94 p 42

["Press communique" issued by the Guatemalan National Revolutionary Unity on 3 January; place not given]

[Text] In view of the events in Chiapas, the Guatemalan National Revolutionary Unity (URNG) wants to state that at no time has it participated in those events. It also vigorously and categorically denies reports irresponsibly disseminated by Guatemalan Army spokespersons trying to use this situation to implicate the URNG and create an unfavorable climate at a time when, under a call from the United Nations, preliminary peace talks will be resumed with the Guatemalan Government and Army in Mexico on 6 January.

The URNG has been, is, and will be respectful of Mexico's sovereignty. Therefore, our forces have no responsibility in these types of events.

[Signed] URNG

[Dated] 3 January 1994

Bank President Details Economic Agreement With IMF

PA0501174394 Guatemala City SIGLO VEINTIUNO in Spanish 31 Dec 93 p 5

[Report by Luis Ixablanque de Leon]

[Text] Willy Zapata, president of the Bank of Guatemala (Banguat), has announced that the country finally signed a new economic stabilization agreement with the IMF.

"Days ago we sent a message to this international organization in which Guatemala agrees to sign a shadow agreement [acuerdo sombra] (AS) that will enter into force on 1 January 1994," he pointed out.

Zapata added that we are now only awaiting a faxed reply from IMF officials, expected to arrive in the next few days. This is imminent because it is part of agreements we reached in our most recent negotiations, he noted.

The official explained that the AS calls on the country to increase fiscal revenues by two percentage points through 0.5 trimestral increases. "The goal is to increase the current 8 percent tax collection [captacion de impuestos] rate to 10 percent," Zapata said.

The Central Bank president added that the agreement also calls for an increase in the bank's net internal assets by 490 million quetzals, as established by next year's monetary policy approved by the proper authorities this month.

"Another commitment by Guatemala is to keep inflation from going over 8.5 percent and to increase monetary reserves by $40 million in 1994," Zapata pointed out.

IMF staff who visited the country in early November had initially proposed a monetary reserve increase of $160 million in 1994.

Complying with this requirement, however, would have prompted Banguat to issue more money without backing in order to acquire the respective foreign currency.

This would make it more difficult to decrease interest rates for open market operations to neutralize [esterilizar] the liquidity that is generated. As a result, it would be virtually impossible to reduce the current rate [tasa activa] of the financial system, now approximately 32 percent.

Signing Opens Doors

Zapata added that the signing of this agreement makes it easier for Guatemala to obtain funds from other countries, such as the Advisory Group [Grupo Consultivo—GC], which is comprised of nations from Latin America, Europe, and Asia.

"The World Bank has called a meeting, probably in Paris on 3 March, in which Guatemala must present to the GC its package of projects for raising funds to implement these measures," he added.

The World Bank organizes activities like this to help a country that is initiating an agreement with the IMF, Zapata pointed out.

The bank president emphasized that "one of the best examples is El Salvador, which obtained donations [donaciones] totaling $60 million and a three-year term. We hope to obtain at least a similar figure, but our success will depend on the number of projects we present."

More Dollars for Guatemala

He added that the signing of the AS allows the World Bank to disburse $25 million, which is the second installment of a $120 million loan agreed upon in late 1992.

The first installment ($48 million) was disbursed to Guatemala in 1992, but the second installment was

frozen because of the country's failure to comply with goals agreed upon with the IMF, mainly because of the May political crisis.

"Another credit available to Guatemala would be that of the Inter-American Development Bank for $132 million, and we hope that the first installment of $60 million will be disbursed in early 1994," Zapata said.

He added that "the only thing needed to receive this credit is congressional approval, as this would increase the country's foreign debt."

Certification of Good Conduct

The AS has the same terms as the Stand by Precaution USS [preceding four words published in italics and in English] agreement signed by Guatemala in late 1992. The difference is that this one included a precautionary [precautorio] loan of $160 million that the signatory country may use should it face balance of payment problems.

But Guatemala never used this money. it did fail to meet the established goals mainly because of the May political crisis.

Finance Minister Richard Aitkenhead and the Bank of Guatemala president traveled to IMF headquarters in the second half of September to start talks that would lead to the signing of a new agreement with that international organization.

Finally, the country signed an AS—which does not require congressional approval because it does not involve loans—but according to Zapata there are plans for Guatemala to sign another standby agreement during the last trimester of 1994.

"That is our goal because a stand by agreement creates more international trust than an AS. The government program calls for the administration to work with a standby agreement during its second year in office." Zapata finally said.

Honduras

President Opposes Suspending Armed Forces Chief

PA0501193294 Panama City ACAN in Spanish 2132 GMT 3 Jan 94

[Text] Tegucigalpa, 3 Jan (ACAN-EFE)—Honduran President Rafael Callejas said on Monday that he disagrees with the idea of suspending General Luis Alonso Discua from his position as Armed Forces chief because of his alleged involvement in the disappearance of individuals in Honduras during the 1980's. Callejas, who met with Discua today to examine the report issued by the National Commissioner for the Protection of Human Rights [CNPDH] concerning 183 missing people, pointed out that the request made by the Committee of Relatives of Missing Detainees in Honduras (Cofadeh) concerning the temporary suspension of the military chief "has no legal validity." According to Callejas, Cofadeh cannot "level accusations or establish responsibilities" concerning the people who disappeared during the past decade; he said the preliminary report issued by CNPDH head Leo Valladares concerning the disappearance of individuals should serve to "build, not destroy, and to unite, not divide." The president expressed concern because attempts are being made "without legal validity to lay the blame and responsibility" on civilians and military people implicated in the forced disappearances. He added that the courts of justice are the only ones that can establish responsibility for any crime.

In his 29 December report Valladares said that civilians and military people were responsible for the disappearance of over 100 people. He recommended that the state acknowledge those violations, apologize to the relatives, and initiate an investigation.

Among other military men, Cofadeh points to Discua as the person responsible for certain disappeareances because in 1984 he was commander of the "3-16" counterinsurgency battalion.

Discua has denied any involvement in the disappearance of people and as he entered and left the presidential palace today he avoided reporters who were expecting answers from him concerning the Cofadeh's request.

On Friday, Cofadeh will ask the Legislative Assembly's permanent commission that Discua be temporarily suspended from his post and subjected to an investigation concerning the disappearances.

Cofadeh Coordinator Bertha Oliva told ACAN-EFE that "it is not necessary to have legal status to identify individuals responsible for the disappearances," and that "what President Callejas wants is for us to forgive and forget." "If the president had a missing child, brother or any relative, he would be at our side demanding justice" added Oliva, wife of Tomas Nativi, who disappeared during the 1980's.

Callejas underscored that the right thing to do regarding the missing people is to "end this phase of recriminations, ill will and differences within Honduran society in order to establish a process of national reconciliation that will be constructive and not destructive." The president also said that Honduran society "must not create permanent wounds," the events that have taken place "must result in something, and an admission should be made to the missing people's relatives."

"When we are told where the guilty parties are and when they have been punished, we will be able to forgive and forget," Oliva added.

Says Removal 'Illegal'

PA0601034894 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 4 Jan 94 p 5

[Article by Francisco Valeriano Giron]

[Text] Tegucigalpa—According to President Rafael Leonardo Callejas, General Luis Alonso Discua, head of the Armed Forces, is concerned about the results of the Human Rights Commission report.

President Callejas met yesterday with Discua, with whom he discussed the report, but did not give any details of the content of their discussion.

Callejas stated that he has been a loyal advocate of human rights in Honduras and said that the report should help reconcile Hondurans, because it lacks legal validity to identify any culprits.

Callejas said the document contains the facts, but attention must be given to the state's decisions in this regard, such as the court trials, the decisions issued, and the amnesties granted, which protect the rights of many people who have been identified as presumed culprits.

Callejas reiterated that the report should not be used to generate hatred and resentment among Hondurans or divisions. He said: "Rather, it should be the basis for the unification of Hondurans."

Callejas expressed his concern over certain statements that have been made in various media. According to Callejas, these statements seek to assign responsibilities based on assumptions, which is the sole responsibility of the courts.

Asked about if this was going to be a "let us start anew" incident, Callejas said that above all justice must prevail, but what is important is that everything leads to a national reconciliation.

Regarding the amnesties granted by his and Jose Azcona's government, Callejas clarified that they cover some of the crimes involving individuals that were included in the report. The rest will be up to the courts to decide but based on factual and concrete evidence.

Although Callejas supports the idea that justice must prevail, he believes that Hondurans should not be divided and that the report should seek mainly to reunify Hondurans.

Callejas believes that one cannot judge based on simple assumptions, but the courts should always have the last word.

Discua Maintains Firm Position

When asked whether Discua's position could be jeopardized by the developments and certain problems within the armed institution, Callejas said he is unaware of such an extreme situation, adding "there has been no action shedding doubt on the legitimacy of the current Armed Forces commander."

Callejas said that it is absolutely illegal to call for Discua's temporary suspension from his post as requested by the Committee of Relatives of Missing Detainees in Honduras (Cofadeh).

The president added that this organization is not even close to being a court and that the Constitution of the Republic and other laws establish the procedure that should be followed in this case.

Callejas said that it is difficult for a request of this nature to prosper at the National Congress, adding that leaders of this branch of state already issued their opinions about this issue.

Oversight Commission

The Executive Branch Oversight Commission has yet to issue its report, because it is still investigating the huge contraband discovered in San Pedro Sula.

Callejas said that the report will be revealed as soon as the investigations are concluded. The president added that he is awaiting a message in this regard from commission coordinator Israel Gonzales.

Judges Ordered To Investigate Report on Missing Individuals

PA0501221194 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 4 Jan 94 p4

[Text] Tegucigalpa—The Supreme Court of Justice (CSJ) issued a statement yesterday ordering the country's judges to begin an investigation on the report issued recently by Leo Valladares, national human rights ombudsman, on missing individuals.

The report, the CSJ plenum stated, "notes the alleged participation of state officials and employees during the 1980 to 1993 period when it accuses them and holds them allegedly responsible for the forced disappearance of national and foreign citizens and other human rights violations that took place in our country. This situation calls for a thorough investigation of the facts that are mentioned by the judges who are in charge of criminal matters. [no closing quotation mark as published]

Therefore, in using the legal powers invested upon it, the CSJ resolves:

- First: To acknowledge receipt of the report on missing individuals in Honduras through the Secretariat of this Court.
- Second: To create a special commission of prosecutors, headed by Prosecutor General Juan Arnaldo Hernandez, to review the documents contained in the report to b?gin the corresponding penal actions in the cases that warrant it.
- Third: To allow the judges in charge of criminal matters, who know from where complaints have been filed regarding the disappearance of national and foreign citizens, to begin or continue, as appropriate, the corresponding procedures to punish the presumed human rights violators. The CJS Secretariat is to receive an authentic copy of the report and attached documents.
- Fourth: To brief this resolution to CSJ General Prosecutor Hernandez and other judges in charge of

criminal matters who know of where the reported incidents have taken place so that they can be informed and proceed. This resolution is to be implemented immediately.

Nicaragua

UNO Expels UDC, MDN, APC From Ranks

PA0501191794 Managua Radio Nicaragua Network in Spanish 1100 GMT 4 Jan 94

[From the "This Morning" newscast]

[Text] Eli Altamirano, coordinator of the National Opposition Union [UNO] Political Council, has confirmed that three other parties were expelled from this coalition. The three parties expelled from the anti-Sandinist coalition are: the Christian Democratic Union [UDC], the Nicaraguan Democratic Movement [MDN], and the Conservative Popular Alliance [APC] headed by Miriam Arguello Morales. The reason the UDC, APC, and MDN were kicked out of the UNO ranks was that they refused to sign a statement, which was signed by the other UNO parties, demanding a national constituent assembly. Radio Nicaragua has been unable to contact the leaders of the expelled parties in order to get their reaction.

Panama

President Discusses Arms Trafficking, Possible Amnesty

PA0501174494 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Jan 94

[Report by Ciro Ortega from the "RPC Television News" newscast]

[Text] President Guillermo Endara Galimany has said that there is illegal trafficking of weapons through Panama en route to Colombia. The president made this statement at the Supreme Court, where he discussed government plans for 1994. According to the president, 1994 is a year in which much attention will be focused on the elections. He pointed out that the next president will have to face the challenge of reorganizing the government's program so that the country can be prepared to manage the interoceanic waterway once it is turned over to Panamania in 2000.

[Begin recording] [Endara] These next five years will be crucial in Panamanian history.

[Unidentified reporter] Molirena [Nationalist Liberal Republican Movement] might leave the ruling alliance. Have you made the necessary changes?

[Endara] I will not get involved in political matters. I realize that what may occur in politics has repercussions inside my government, but I want it to have the minimum repercussion possible.

[Reporter] Will there be political amnesty this year?

[Endara] Political amnesty is granted by the Legislative Assembly, not me.

[Reporter] The Catholic Church is concerned about the large number of weapons on the streets in the hands of third parties. What can the government do about this prior to the elections?

[Endara] I am not aware of the Church's concerns in this regard. I believe there definitely is arms trafficking, but—thank God—according to intelligence reports, the weapons are only passing through Panama and do not stay here, at least not in large numbers.

[Reporter] Where are those weapons going?

[Endara] Usually to Colombia. [end recording]

President Endara also pointed out that he has no plans to grant amnesty to Colonel Eduardo Herrera. As for his administration, he pointed out that he has fulfilled his role in a transition government.

Commerce Minister Resigns, Announces Fuel Price Drop

PA0601025794 Mexico City NOTIMEX in Spanish 0139 GMT 6 Jan 94

[Excerpt] Panama City, 5 Jan (NOTIMEX)—Commerce and Industries Minister Roberto Alfaro announced his resignation today, which will go into effect on 1 February, and he also announced a three cent per gallon drop in the price of gasoline.

In statements to the media, the official denied that his resignation was prompted by political reasons, and he said he only wants to spend more time with his family and business. He is the owner of Financiera de Seguros S.A. (FISESA) and an associate of another insurance company called La Union. [passage omitted]

Moscoso de Gruber Meets Endara, Views Possible Alliances

PA0601154694 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Jan 94

[Report by Ciro Ortega; from the "RPC Television News" newscast]

[Text] Mireya Moscoso de Gruber, Arnulfist Party [PA] presidential hopeful, met this afternoon with President Guillermo Endara Galimany. They discussed the government alliance and its prospects for the presidential elections. PA members said their hopes to head the presidential ticket has strengthened. The issue of the alliance was discussed during a meeting held this afternoon at the Palace of the Herons between President Guillermo Endara Galimany and Mireya Moscoso de Gruber.

[Begin recording] [Moscoso de Gruber] We obviously talked about the government alliance. I told the president that the PA wants to maintain this alliance. I informed him we will soon talk to Molirena [Liberal Nationalist Republican Movement] so they decide whether they want to remain in this alliance with the PA or wish to abandon the alliance.

[Ortega] Would any other political group, such as Solidarity, join this alliance?

[Moscoso de Gruber] We have been talking to some parties. We have also spoken to Solidarity representatives, but I think they are waiting to see what will happen with the government alliance. So far we have only talked without reaching any special commitments.

[Ortega] It should be pointed out that [former Comptroller General] Ruben Dario Carles' presidential candidacy has been endorsed by Morena [National Renewal Movement]. To what degree does this pose an obstacle to your aspirations to be top leaders of the PA?

[Moscoso de Gruber] No, Morena has every right to nominate Mr. Carles for the presidency. We, the Arnulfists, are going to nominate our candidate on 23 January. It is no obstacle for us that Morena nominated Carles.

[Ortega] Finally, it has been learned some political parties have hidden weapons. How do Arnulfists view this? Do they feel threatened by this irregular situation?

[Moscoso de Gruber] It is regrettable that at this point it is said some political parties maintain weapons, which they will definitely use in the upcoming elections. It is regrettable they would try to disrupt peace in the next elections. We want the upcoming elections to be peaceful, although from what we said in April in the city of Boquete, I thought at that time that the next elections would not be peaceful. We believe Panamanians want peace, free elections, and to live in a democratic country. [end recording]

Mireya Moscoso de Gruber highlighted once more that she will not give up leading the presidential ticket. She also noted that once the campaign begins, her popularity and that of the PA will increase and the results of polls will change completely.

National Renewal Party Chapter Nominates Carles as Presidential Candidate

PA0501213694 Panama City EL SIGLO in Spanish 4 Jan 94 p 10

[Report by Yali Enrique Pitti and Luis Gaitan V.]

[Text] The Chiriqui Province chapter of the National Renewal Party (Morena) yesterday nominated former Comptroller General Ruben Dario Carles as its presidential candidate for the 8 May elections.

Referring to the National Police, Ruben Dario Carles said that 75 percent of its members are still the same as during the past regime, a situation that should have instituted a purge. He added that the task the Police Academy is performing must be encouraged.

In addition, Carles believes that it would take an entire afternoon, if one were to decide to prepare a list, to establish the exact number of government workers who claim to work despite low productivity levels.

The Morena presidential candidate said that during the next few days the other political parties that support his candidacy will make their respective announcements. Carles also said that he is unaware of what direction the parties that make up the ADOC [Civic Democratic Opposition Alliance] will follow. According to Carles, "I do not know where they are headed, but I do know I am going straight ahead."

Upon arriving in Chiriqui, the Morena candidate was cheered by a numerous crowd of well-wishers during his tour along 3 November Avenue, the main commercial street in the City of David.

Union Secretary Says Workers Favor Permanence of U.S. Bases

PA0601004594 Panama City Telemetro Television Network in Spanish 1730 GMT 4 Jan 94

[Report by Francilino Diaz; from the "Telemetro Reports" newscast]

[Text] Ray Bishop, Local 907 Armed Forces Employees Union secretary, has challenged any firm or institution that operates in the Panama Canal reverted areas to prove that their workers do not favor either the permanence of the military bases in Panama or the candidacy of Ruben Dario Carles for president of the Republic.

[Begin Bishop recording] [Word indistinct] the sectors that disagree with the position held by the vast majority of the workers are precisely the managers who are also businessmen. I even challenge them.... [pauses, changes thought] We represent the workers of the military bases. We are answering for those workers, and 85 to 90 percent of them support the candidacy of Professor Ruben Dario Carles, not only because his political campaign is based on protecting jobs on the military bases but also because he is inclined to protect the positive economic revenues that enter our country due to those bases. [end recording]

Bishop said that the individuals who oppose these two issues want to divide the reverted areas among themselves and continue with the ongoing negligent attitude after the year 2000.

[Begin Bishop recording] This is the end of the line. Here, Panamanians as a whole must demand that the government that will take the helm of our country in 1994 effectively legislate in favor and to the benefit of the majority of Panamanians, not just a small group of businessmen and politicians. [end recording]

Bishop's recent statements in this same vein prompted several sectors to state that Local 907 cannot speak for all workers of the reverted areas. Bishop says, however, that those who oppose his views have never been interested in the needs of the Panamanian people.

[Begin Bishop recording] Together, let's try to restructure our country as Panamanians and, those who are elected in 1994, as public employees. [sentence as heard] [end recording]

Argentina

Menem Calls Mexico's Salinas To Express 'Support'

PY0501213594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1822 GMT 5 Jan 94

[Excerpts] Buenos Aires, 5 Jan (NA)—President Carlos Menem today expressed his support for his Mexican colleague, Carlos Salinas de Gortari, "in the name of the Argentine people" in view of the serious incidents carried out in Mexico by the brand-new Zapatista Army for National Liberation (EZLN).

This was reported by Media Secretary Raul Burzaco at the end of today's cabinet meeting in which the implementation of educational and social plans throughout the country and their projections were studied. [passage omitted]

Burzaco was charged with reporting the details of the first cabinet meeting of 1994, which was "complementary" to the last cabinet meeting of 1993. [passage omitted]

Burzaco reported that just after the end of the cabinet meeting, Menem called Salinas de Gortari "to express my support as a friend, as president, and in the name of the Argentine people in view of the subversive situation that is being experienced by your country." [passage omitted]

Lawmaker: U.S. Must Choose Between UK, Argentina on Radars

PY0601003794 Buenos Aires LA PRENSA in Spanish 5 Jan 94 Section 1 p 4

[Text] Miguel Angel Toma (PJ [Justicialist Party]), the Chamber of Deputies Defense Committee chairman, cast doubt on the possibility that Argentina would have a "lasting association" with the United States if the U.S. Government does not approve the sale of radars for the Douglas A-4M planes purchased by the Air Force.

Toma stressed: "The United States has an excellent chance to send an unmistakable signal, not only to Argentina, but to other Latin American countries that its call for integration and joining in is genuine and not mere words."

The Buenos Aires lawmaker expressed support for the sale of sophisticated U.S. radars requested by Argentina to equip the Douglas planes for training Air Force pilots.

In a press communique, the ruling-party deputy also deplored UK "pressures" to prevent this operation from materializing. Toma stressed: "The United States must choose between sending a concrete signal to Argentina on its decision to be reciprocal with us or, otherwise, continue bowing to British pressure and interests."

Toma warned: "There is no lasting association in which one partner alone has privileges." He expressed his hope that those who "still think like in Cold War times" will no longer sway the U.S. political "establishment." [preceding word in English]

Colonel Matalon Takes Over as 5th Brigade Commander

PY0501202594

[Editorial Report] San Miguel de Tucuman LA GAZETA in Spanish on page 12 of its 11 December 1993 issue reports that Colonel Carlos Roberto Matalon was installed as 5th Mechanized Brigade commander, replacing General Rafael Alberto Cazaux. The ceremony was held at the Gregorio Araoz de la Madrid Military School. Col. Matalon was installed by 3d Corps Commander General Carlos Alberto Quevedo.

Bolivia

New Foreign Policy Seeks 'Cooperation' With U.S., Chile

PY0601003994 La Paz PRESENCIA in Spanish 28 Dec 94 p 7

[All quotation marks as published]

[Text] The Foreign Ministry has released a document saying that Bolivian foreign policy with Chile and the United States will straighten up because the attitude of "reciprocal suspicion" will be replaced by an attitude of cooperation, exchange, and integration.

Just as the document says, these are changes that current Foreign Minister Antonio Aranibar intends to implement and that will affect the traditional way Bolivia has faced and carried out the nation's foreign affairs.

This is one of the new Foreign Ministry conclusions provoked by the realization that "the world is going through a process of a general reorganization of relations between countries, regions, continents, and hemispheres."

The document says this period is characterized by a growing interdependence that "is not always free of asymmetrical situations that sometimes are quite contrasting" and usually are not mentioned.

The document says Bolivia must adopt, now and in the future, positions that have been proven successful recently and were based on peace policies implemented after World War II.

Aranibar's administration admits that since the recovery of democracy in 1982 the country has made "significant political and economic progress, which are determinant factors for Bolivia's insertion into the international community and reflect "an understanding of generalized trends."

The document points out that, consequently, the government's foreign policies are based on respect for the

democratic system and human rights, preservation of and respect for the pluralistic identity of peoples, and the need for economic cooperation between nations.

These decisions have paved the way for "the logic of coalition and integration," replacing "the logic of confrontation. The latter being the basic tone that characterized "Bolivia's old international policy," which must be overcome.

The document also points out that the Foreign Ministry has embarked on the task of "professionalizing" its services in order to overcome "improvisations" as part of the new Foreign Ministry responsibility to help attract investments and establish beneficial trade agreements.

The document finally lists Foreign Ministry goals based on reality and "operational" possibilities as follows: 1) Give preference to relations with neighboring countries and the other Latin American and Caribbean nations and 2) Participate in the reconstruction of relations with the United States.

The third point refers to improving relations with the EC. The fourth and last point refers to national participation in subregional integration efforts, as well as in GATT and other international organizations.

The document cites the United States and Chile as areas of crucial problems for the country. It indicates that the "basic guidelines have the purpose of replacing the concept of 'reciprocal suspicion' with a more cooperative concept and to diversify, with a true and advantageous number of issues, the possibilities for exchange and integration beyond the issues of drug trafficking and the landlocked problem, which have become real obsessions."

Cardenas Laments Mexican Uprising, Rejects Any Parallel

PY0501175394 Madrid EFE in Spanish 1531 GMT 4 Jan 94

[Text] La Paz, 4 Jan (EFE)—Bolivian Vice President Victor Hugo Cardenas, of Aymara descent, today lamented the fact that indigenous peoples in Mexico had chosen the path of armed struggle, emphasizing that in Bolivia there will not be a similar situation because the government has begun to resolve the problems of indigenous peoples.

Of Bolivia's population of 6.4 million, 70 percent are of Aymara, Quechua, and Guarani descent, in addition to some 20 Amazon tribes. Most of them live in poverty or in extreme poverty.

In 1993, international organizations considered that Bolivian peasants were the planet's poorest people.

"I lament the fact that in Mexico they decided to take up arms, but in Bolivia there will be no such movements because the demands from those sectors are being met, despite the fact that for many years they had been sidelined," the vice president said.

Cardenas added that "the exclusion of indigenous peoples is being overcome in Bolivia within the framework of the democratic system," noting that the government has taken major steps "to tackle indigenous people's problems," though he admitted that such steps "are not enough—but it is important to begin, in order to find answers within the next few years."

The government of President Gonzalo Sanchez de Lozada has announced that as of this year it will implement the "people's participation" program, which will be based on traditional institutions: the "ayllu" (indigenous community) and the "ayni" (mutual cooperative work, "today for you, tomorrow for me") in the areas of education and health.

The vice president emphasized that the work by the government "will leave them with no justification for violent action," adding that Bolivian democracy will also contribute to "avoiding the creation of radical indigenous movements."

Some movements of apparent indigenous origin have appeared in Bolivia over the past eight years, movements that have tried to vindicate—through terrorism and attacks—objectives such as social justice for indigenous people, but they were not supported by the people and were dismantled by the security organs of the state.

Indian, Labor Groups Support Indian Rebellion in Mexico

PY0501221994 Madrid EFE in Spanish 1819 GMT 5 Jan 94

[Text] La Paz, 5 Jan (EFE)—Bolivian Social Development Minister Fernando Romero said today that the Indian rebellion in Mexico is "a voice of alarm" for Latin American governments. The minister admitted the possibility of a social explosion "in Bolivia and any other part of the world" if extreme poverty conditions persist.

Various indigenous and labor groups expressed support for the Mexican natives and charged that the IMF and World Bank were responsible for the misery afflicting most Latin American peoples.

The leaders of these associations criticized the declaration made by Vice President Victor Hugo Cardenas, who ruled out the possibility that Bolivia might be affected by a situation similar to the Mexican rebellion.

The social development minister said: "Neglect has provoked this reaction (the Indian rebellion in Mexico) that, in my opinion, is a voice of alarm for all rulers who spend their time making rhetorical speeches and promises."

Romero, the official responsible for seeking solutions to the dramatic poverty afflicting a large percentage of the Bolivian population, said: "If we do not find effective

and quick solutions, we might expect this type of social explosion in Bolivia and any other part of the world."

The Tupac Katari-1 Indian Movement (Mitka) of Kollasuyo (Bolivia) expressed its decision to give "moral and material" support to the Mexican Indians and asked the United Nations to intervene in order to prevent the further shedding of the blood of their "Zapatist brothers."

Another Mitka faction expressed "the duty to salute and wish all the necessary success" to the actions leading to a victory in the Chiapas' struggle and the expulsion of the "invaders" who usurped native peoples's rights.

Hilarion Mamani, a leader of the El Alto Labor Federation, said the exploitation suffered by Bolivian peasants could provoke something similar to what happened in Mexico.

What happened in Chiapas is the result of poverty, Mamani said, accusing the World Bank and the IMF of provoking the misery afflicting a large part of Latin American populations. "It is a warning for them to change their policies against the impoverished nations of this continent," Mamani said.

Brazil

Rapporteur 'Indignant' at 'Incredible' Budget Manipulations

PY0401180994 Rio de Janeiro O GLOBO in Portuguese 1 Jan 94 p 3

[Interview with Deputy Roberto Magalhaes, PFL-PE, Liberal Front Party-Pernambuco, Congressional Investigating Committee, CPI, rapporteur, by Marcelo de Moraes in Brasilia; date not given]

[Text] [De Moraes] Deputy Roberto Magalhaes' patience is on the verge of exhaustion. Annoyed at seeing how congressmen have manipulated the national budget over the past few years, the rapporteur of the CPI that is investigating the budget mafia has pledged to include in his report all those whose involvement in corrupt practices has been duly proven.

The effort of examining all the documents has consumed Magalhaes' time and health. He wants to submit his report by 15 January and has been working day and night drafting the report. Not even the bad cold he caught last week made him slacken up a little. He said: It does not matter if I am running a temperature or am sick. The CPI cannot come to a grinding halt.

Senator Jarbas Passarinho (PPR-PA) [Progressive Renewal Party-Para] follows in Magalhaes' footsteps. He went to Congress to work as usual yesterday. Both Passarinho and Magalhaes know the public demand great responsibility from the CPI.

Even though he did not want to preannounce the names of congressmen whose removal he will recommend, Magalhaes made it clear that Senator Ronaldo Aragao (PMDB-RO) [Brazilian Democratic Movement Party-Roraima] and Deputy Carlos Benevides (PMDB-CE) [Ceara], who made a deposition this past week, will be on the list. Furthermore, those congressmen who are sure to appear in the report include Deputies Joao Alves (no party-BA) [Bahia], Cid Carvalho (PMDB-MA) [Maranhao], Manoel Moreira (PMDB-SP) [Sao Paulo], Jose Geraldo Ribeiro (PMDB-MG] [Minas Gerais], Genebaldo Correia (PMDB-BA), Fabio Raunheitti (PTB-RJ) [Brazilian Labor Party-Rio de Janeiro], and Joao de Deus Antunes (PPR-RS) [Rio Grande do Sul]. Feres Nader (PTB-RJ), a substitute member, will also appear. The following congressmen may also be on the list: Ibsen Pinheiro (PMDB-RS), Ricardo Fiuza (PFL-PE), Sergio Guerra (PSB-PE) [Brazilian Socialist Party], Jose Carlos Vasconcellos (PRN-PE) [National Reconstruction Party], Paes Landim (PFL-PI) [Piaui], Flavio Derzi (PP-MS) [Popular Party-Mato Grosso do Sul], and Raquel Candido (PTB-RO).

The CPI probe into the budget mafia is drawing to an end. In your capacity as CPI rapporteur, how do you feel at his moment?

[Magalhaes] I am becoming terribly indignant at what I consider very serious cases. There have been incredible and long-standing manipulations of the national budget. There was a huge irregular scheme afoot within the Budget Committee. These cases are most grave. I can no longer stand to see all this.

[De Moraes] What impression did Senator Aragao's deposition create on you?

[Magalhaes] Just to put you in the picture, a senator manages to get appropriations amounting to $600,000 for a foundation that bears his name and is located in Rondonia. I think that more than half the congressmen have never had assets of a comparable value. He used some of that money to buy three ambulances from a company he established and the vehicles are conspicuous by their absence. And so the story continues.

[De Moraes] Did the deposition of Deputy Carlos Benevides also irritate you?

[Magalhaes] That is another incredible case. An individual chose 54 institutions that now receive social contributions and manages to obtain the minister's okay without any problems. I repeat, I can no longer stomach this type of thing.

[De Moraes] Is your report ready?

[Magalhaes] I am about to conclude it. Yesterday I received a detailed report from Senator Eduardo Suplicy [PT-SP] [Workers Party], which will help me draft my document. I am waiting for more depositions, but all

those involved in irregularities whose guilt is established by the CPI beyond all doubt will be included in the report.

[De Moraes] There are those who are in favor of postponing the deadline for the Budget CPI to conclude its findings. Do you endorse this?

[Magalhaes] No. I am against postponing it. I have already discussed this with Senator Jose Paulo Bisol [PSB-RS] and explained to him that it would not be possible. There is a group that wants to delay the deadline for the CPI to submit its final report, but we cannot go beyond 15 January. If we do that, the work of the CPI will go unnoticed.

[De Moraes] Do you not believe that if the deadline were to be extended the CPI may discover new things?

[Magalhaes] Now is the time to reach a conclusion. We can investigate new allegations later. We must meet the deadline established for the CPI report, otherwise these investigations could go on for another six years.

[De Moraes] Do you believe your report will herald a new era for Brazilian politics?

[Magalhaes] I do not think my report will, but I have no doubt whatsoever that the decision taken by a plenary session of Congress will.

Senator Nelson Carneiro Joins Progressive Party

PY0501175694 Rio de Janeiro O GLOBO in Portuguese 29 Dec 93 p 4

[Excerpt] After refusing to continue to fight for greater influence within the PMDB [Brazilian Democratic Movement Party], of which he was a founding member, Senator Nelson Carneiro yesterday joined the Progressive Party [PP]. According to PP sources, 200 other people have joined the PP, including Councilwoman Laura Carneiro, who is Senator Carneiro's daughter. Carneiro will be allowed to nominate 21 candidates for the PP ticket in Rio de Janeiro; that is, 15 candidates for state deputies, and six candidates for the Federal Chamber of Deputies. [passage omitted]

Socialist Party Rejects Pedro Collor's Membership

PY0601124894 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 6 Jan 94

[Text] Entrepreneur Pedro Collor will not join the PSB [Brazilian Socialist Party]. The party national executive board decided to cancel his membership after his name was rejected by eight regional party boards.

Former President Fernando Collor's brother has not yet decided on his possibly joining the PMN [National Mobilization Party].

Pedro Collor, who pressed the charges that led to the creation of the CPI [Congressional Investigating Committee] that investigated entrepreneur Paulo Cesar Farias, said he will remain a member of the Alagoas Popular Leftist Front. The PSB supported this decision.

Chile

Indigenous Group Requests Red Cross Intervention in Chiapas

PY0601014094 Madrid EFE in Spanish 2358 GMT 5 Jan 94

[Text] Santiago, 5 Jan (EFE)—A Chilean indigenous group on 5 January requested that the International Red Cross visit the southern Mexican state of Chiapas to prevent the violation of the human rights of the Mayan peoples of that region.

In a public declaration, the Mapuche Meli Wixan Mapu Coordinating Board states that the campesino revolt in southern Mexico is due to "centuries of political, economic, and cultural oppression," and it indicates that "this uprising is the answer to a slow process of ethnical-cultural death."

The declaration adds that Mexico's becoming a member of NAFTA "has condemned the Mayan peoples to death" because their production techniques "do not allow them to be competitive" with U.S. and Canadian markets, and this is causing "the extinction of those peoples."

The Mapuche group then makes a call to the International Red Cross, the Inter-American Human Rights Commission, and the UN's human rights organization to visit the Chiapas combat zone "in order to guarantee the integrity" of the indigenous peoples involved.

Coordinating board leaders Dagoberto Cachana and Alihuen Antileo announced that on 6 January the document will be handed to the Mexican Embassy in Santiago.

Colombia

Newscast Reports Presence of U.S. Troops in Meta Department

PA0601041094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0230 GMT 6 Jan 94

[From the "CMI Television" newscast]

[Text] CMI has discovered the presence of another U.S. battalion in Colombia. It is in Puerto Lopez, Meta Department, and is apparently building a base to help fight drug production. Meanwhile, Marines arrived at Malaga Bay in Valle del Cauca.

Although it is rumored in certain sectors that the reason for their presence here is to pressure the Cali Cartel to

surrender and build a radar and communications center, today—in full view of local residents and tourists—the North Americans began their construction of a school and a road in Juanchaco, social projects that they say will help the people. They brought all types of vehicles, construction equipment, bulldozers, and barges to produce electricity. If their instructions were to hide why they are here, their behavior showed the opposite. The environment today was normal, although they were prohibited from talking to the media. Some local residents welcome the Marines with open arms:

[Begin unidentified speaker recording] They are welcomed, because if they come to Juanchaco to build projects for the good of the community and we reject them, other locations will be asking for them with open arms. [end recording]

Others question their presence here:

[Begin second unidentified speaker recording] We have not heard the government, the mayor's office, or the governor's office clearly tell us what they are going to do. [end recording]

The presence of U.S. troops in Colombia is nothing new. Five months ago CMI was with the U.S. Armed Forces in San Jose del Guaviare, where they built an operations base for the river force of the Colombian Navy in an area where there are many guerrillas and drug traffickers.

As if this was not enough, the residents of Puerto Lopez, Meta, have also reported the presence of U.S. soldiers. They are apparently there to build—jointly with the Colombian Navy—what might be an operations center in that area, where drug-trafficking activity has been detected.

[Begin recording] [Puerto Lopez Mayor Hernan Saavedra] We have learned that U.S. Navy personnel are building a naval base for the Colombian Navy in the jurisdiction of Puerto Lopez.

[Unidentified reporter] Are they armed?

[Third unidentified speaker] Of course. Each one is armed with at least their regulation weapon.

[Fourth unidentified speaker] They have been seen armed like any officer with his pistol on the side.

[Fifth unidentified speaker] I at least disagree with the government's decision to permit those gentlemen to come here to our territory, because we do not know what their mission is. [end recording]

Paraguay

Colorado Party President Condemns President's Actions

PY0501155294 Asuncion NOTICIAS in Spanish 5 Jan 94 p 6

[Communique signed by Colorado Party President Blas N. Riquelme]

[Text] Colorado Party supporters:

The Colorado Party that won the 1993 May elections has the political responsibility for the current government.

Therefore, the president of the Colorado Party is the natural party spokesman for its participation in government.

Bold actions by the president against the party as an institution have recently become public.

The events that seriously concern the party, which are detailed here, are the following:

1. The inconsiderate increase in basic public utilitiy rates, major public utilities rate increases, which violently hurt the humble Paraguayan people, whose interests are of undeniable priority for the party.

2. The massive, aggressive, and unjustified dismissal of public employees, such as in the cases of Capasa [Canas Paraguayas S.A.—Paraguayan Liquor Inc.]—the former Apal [Paraguayan Alcohol Administration]—the Foreign Ministry, and others.

3. The president's unusual prohibition against ministers accepting invitations from the party president to come to party headquarters to coordinate issues related to the public good, based on the ideals of Colorado Party doctrine.

4. The president's complacent attitude toward the unconstitutionality of the law stripping military men and policemen of party membership, thus betraying the party's solidarity and the oath to observe and enforce the current Constitution. The party, by a resolution of its Executive Board, decided to ask the court to determine the unconstitutionality of the law in face of the president's lack of action to fully support the party members among the military and police.

5. During 1993 Antelco [National Telecommunications Administration] installed 12,000 new telephone lines and received 24 billion guaranies more income than in 1992. Spending was reduced by 25 billion guaranies with relation to 1992. Profits increased from 8 billion guaranies in 1992 to 56 billion guaranies in 1993, which represents a 700 percent increase. Antelco's domestic and foreign debt decreased by 13 percent, and the amortization of the debt reached $42 million. Antelco currently has 11 billion guaranies in its coffers. Despite

this positive situation its president and general administrator were unexplicably and abruptly fired by today's decree.

These events, in addition to others we are not listing for the time being, seriously offend the party as an institution. The party presidency is therefore forced to publicly denounce this situation in order to safeguard the high interests of Colorado Party supporters.

The president of the Colorado Party therefore declares:

1) His strong condemnation of the events listed here, which are harmful to the legitimate rights of the party that won the 9 May 1993 elections.

2) His firm and unwavering decision to continue to struggle for the ideals of the glorious National Republican Association in order to preserve intact the dignity of Colorado Party supporters. His assertion that he will not subject himself to open or concealed pressures, wherever they may come from.

[signed] Blas N. Riquelme, president of the Colorado Party

Peru

Military Justice Chief Says Officers Involved in La Cantuta

PA0501154294 Lima Radio Programas del Peru Network in Spanish 1800 GMT 4 Jan 94

[Report by Rocio Vicente from the "Newspaper of the Airwaves" newscast]

[Text] There are definitely eight military officers involved in the disappearance of the students and a professor from the Enrique Guzman University, La Cantuta, according to General Guido Guevara Guerra, the new president of the Supreme Council of Military Justice. Guevara Guerra said a general is one of those involved but for the time being he will not reveal where the detainees are being held.

[Begin recording] [Guevara Guerra] Ask yourselves why he is under arrest.

[Unidentified reporter] Why?

[Guevara Guerra] Because he is responsible. That is the first thing [passage indistinct]. Eight people are under arrest.

[Reporter] [Words indistinct]

[Guevara Guerra] I do not know. We will have to take a look at the result of the investigations. We also have to respect the judge's work. [passage indistinct] [end recording]

Those were some of the statements by the new president of the Supreme Council of Military Justice, who also said that the military courts will respect the Supreme Court's jurisdiction in the La Cantuta case. But he did say his personal preference would be for the case to be handled by a military court.

Government Invites Nine National Police Generals To Retire

PA0501154194 Madrid EFE in Spanish 1956 GMT 4 Jan 94

[Text] Lima, 4 Jan (EFE)—The government has "invited to pass into retirement" nine generals of the Peruvian National Police [PNP] in a surprise decision that some news media have regarded as a new "purge" of that institution.

The generals discharged from duty owing to a "reshuffling of structures" had less than 35 years in service, and their ages would allow them to remain on duty, the daily LA REPUBLICA reported on Tuesday, 4 January.

The alleged "purged" generals are Roger Alvitez, Edgar Sullca, Eusebio Bedoya, Rodolfo Enceles, Hector Escobar, Jesus Sanchez, Ernesto Arenas, Cirilio Pacheco, and Ramiro Berrantes.

All of them had been scheduled to attend a public tribute given in their honor by the PNP but did not attend, apparently unhappy with the government decision.

Government Extends State of Emergency in Apurimac Provinces

PA0501161894 Madrid EFE in Spanish 1456 GMT 5 Jan 94

[Excerpt] Lima, 5 Jan (EFE)—On 5 January the government extended for 60 days the state of emergency in four provinces of Apurimac Department, in the southern Andean region, to expedite antiterrorist activities. For that reason, civil liberties remain suspended in the Provinces of Chincheros, Andahuaylas, Abancay, and Aymaraes, and the Armed Forces are in charge of internal order. The official newspaper EL PERUANO carried the corresponding decree today. [passage omitted]

Military Justice Council Chairman Takes Oath

PA0601012294 Lima Global de Television Network in Spanish 0100 GMT 5 Jan 94

[From the "Global TV News" newscast]

[Text] Today General Guido Guevara Guerra became the chairman of the Supreme Council of Military Justice. During a ceremony at council headquarters on Arequipa Avenue, General Guevara took his oath as head of military justice. Addressing the president of the Supreme Court of Justice and other guest authorities, Guevara said the reason for the council's existence was to safeguard Armed Forces and police discipline. Guevara Guerra replaces Admiral Roberto Duvoc.

Daily Praises Measures To Normalize Judicial Branch

PY0501175594 Lima EL COMERCIO in Spanish 20 Dec 93 p A2

[Editorial: "Extension of the Mandate of the Disciplinary Board for Magistrates"]

[Text] After a lengthy debate during which members of the governing majority upheld different viewpoints, the Democratic Constituent Congress [CCD] approved a law that is very important for restoring normalcy to the Judicial Branch.

This law, of a constitutional nature, extends the mandate and power of the Disciplinary Board for Magistrates [JHM] beyond the implementation of the new Constitution approved by referendum.

The law, which also represents a vote of confidence in the five JHM members for the outstanding job they have done so far despite a series of limitations, modifies the previous legislation in this respect: that is, in referring to the creation of this body as well as that vetoed by the President of the Republic which, although it had the same purpose, did not have constitutional validity.

The scope of the new law will from now on, therefore, allow the JHM to definitely appoint the 18 Supreme Court justices, the 250 Appellate Court justices, and the 750 magistrates, including lower court and provincial judges.

The new law also establishes that the JHM will terminate its functions once the National Council of Magistrates is established. This will entail a lengthy process, at least 18 months, until its seven members are elected.

Obviously this is too much time to wait to begin the process of normalizing a state branch in which more than two-thirds of its officials are in their posts only provisionally, since the democratic institutions were dismantled on 5 April 1992.

In practice, this means complete functional and individual instability without any support or guarantees regarding the government.

This reveals an urgent need for the normalization of the Judicial Branch, whose utmost expression should not only be one of full independence, but also of absolute equality in relation to the other state branches.

For this and other reasons, we pointed out a few days ago in this same column the need for a transitory solution, such as the one just approved: "...the appropriate path that should be taken is to grant the JHM a law, approved by Congress, which is broad and explicit enough to allow this body—composed of exemplary lawyers—to on this single occasion handle the problem that has surfaced by officially appointing the great majority of the judges currently on duty."

Moreover, our judicial branch's many vices and defects—which, it should be pointed out, have not been corrected, and have probably been made even worse by the circumstances—have perhaps their worst expression in its absolute submission to the other branches, especially the Executive Branch, which under circumstances such as the current ones is implacable with magistrates who are not subservient.

The problem is particularly serious as in the coming months the country is expecting a series of important cases to be heard by the Judicial Branch. Its reform, therefore, as well as the reform of the Attorney General's Office, must not only be complete and definitive, but also carried out as soon as possible.

Aside from the basic aspects of the restoration of national institutionality, there are also some details of a practical nature. As we had noted previously, neither Peruvian citizens nor foreign investors have guarantees for their transactions in a juridically unstable country, "where the full autonomy and separation of the public branches is not freely exercised."

Registry of Detainees, Defendants, Inmates Created

PY0501202794 Lima EL PERUANO in Spanish 21 Dec 93 p A2

[Text] After a heated debate and a few amendments to the original text, the Constituent Congress on 20 December unanimously approved the Defense and Internal Order Committee's resolution creating the National Registry of Detainees, Defendants, and Inmates [Registro Nacional de Detenidos, Procesados, y Recluidos].

The resolution—based on a draft bill submitted by legislator Pedro Garcia Saavedra (NM-C90 [Change 90-New Majority Faction])—is divided into seven articles and three final and transitory clauses.

The first article establishes that the registry will have an updated data base that will make it possible to identify and place the people arrested by Armed Forces and National Police members and by court order.

Moreover, it is intended to adequately accompany all the steps of the legal process involving people subject to judicial investigation, including their imprisonment.

The resolution states that the Attorney General's Office, which will be in charge of appointing the registry's executive director, is charged with organizing and administrating the registry.

The second article states that the Interior and Defense Ministries, the Judicial Branch, and the National Prisons Institute will supply all the information required by the registry regarding detentions, investigations, and imprisonments.

The third article states that any individual or institution has free access to the information contained in the registry.

According to the approved text, a coordinating committee of the registry also is created. This committee will comprise two representatives from the Attorney General's Office—one of whom will preside over the committee, and one representative each from the Justice, Interior, and Defense Ministries.

The committee also will include a representative from the judicial branch and from the congressional Human Rights Committee.

In its first transitory clause, the document states that the first stage of the registry will include information on individuals arrested on charges of terrorism and treason against the fatherland, the state, and the national defense.

Finally, it is stated that the guidelines contained in the letter of understanding signed on 23 January 1992 by the Attorney General's Office, the Interior Ministry, AID, and the Latin American Institute for Crime Prevention and Treatment of Offenders will be followed in creating the registry.

'First' Peruvian Drug Cartel Viewed

PY0501181894 Lima LA REPUBLICA in Spanish 18 Dec 93 pp 17-19

[Article by Angel Paez from the "Research Unit"]

[Text] Peruvian Demetrio Limonier Chavez Penaherrera, alias "Vaticano," and Colombian Waldo Simeon Vargas Arias, alias "El Ministro"—two of the greatest drug traffickers in the country—have held a top-level meeting seeking to end confrontation between their two groups and to set the basis for a possible initial agreement to organize the first Peruvian drug cartel, Colombian style.

National Police Antinarcotics Board sources have said that these two criminals are responsible for 60 percent of the drugs that are sent to Colombia for direct distribution by the Cali Cartel.

The meeting was held during the end of September, supposedly on the Colombian border, following an extended dispute initiated by "Vaticano," who tried to remove his competitor from the extensive coca territory he dominates between Pongo Isla, San Martin Province, Department of San Martin, and Lagunas, Upper Amazonas Province, Loreto Department.

The Peruvian trafficker handles the main drug operations in the Upper Huallaga, namely in Aguaytia, Sion, Saposoa, and Campanilla, San Martin Department.

The substantial difference between the two, according to U.S. Embassy antinarcotics officers, is that "El Ministro" is one of the greatest buyers of cocaine paste while "Vaticano" is fully occupied transporting drugs to Colombia.

The same sources reported that both are independent, but work directly with the Cali Cartel, headed by the brothers Gilberto and Miguel Rodriguez Orejuela.

Skirmishes between the two mafia bosses reportedly began on the orders of "El Ministro," who wanted to pay less for the drug than the high price paid by "Vaticano" in his area of influence.

The Peruvian established a price of $800 per kg of cocaine paste, while the Colombian was offering only $600, and this enabled him to purchase larger quantities.

But the coca producing peasants began to sell to "El Ministro" in spite of the lower price he was offering because transporting the drugs to the distant places where "Vaticano" purchases the drug by speedboats represented additional cost and risk due to the presence of security forces which have increased control in the zone dominated by the Peruvian drug organization.

The confrontation became more heated due to the growth of "El Ministro's" business who, from being a purchaser, began to work in the most profitable business of shipping large amounts of drugs, thus poaching on "Vaticano's" turf of transporting the paste abroad.

"El Ministro" was becoming "Vaticano's" most dangerous competitor when the latter, from El Sauce where he had established his general headquarters, moved to Pampa Hermosa, Upper Amazonas Province, Loreto Department.

In El Sauce, where there is an important landing strip, "El Ministro" joined the Tupac Amaru Revolutionary Movement, MRTA, to obtain their protection. When the Army moved in, the trafficker tried to bribe the head of the detachment, an officer known as "Juan Pablo," but even so the trafficker and the subversives were expelled from the ares.

The Colombian has a very good nose for the drug business. He began early in the 1980's as a "mule" of the Medellin Cartel branch in Leticia, Colombia, which was headed by Evaristo Porras Ardila, but immediately began his own business. He found that coca plantations were increasing considerably in the provinces of Upper Amazonas, Loreto, and San Martin, San Martin Department.

Coca plantations increased considerably because of the migration of colonizers and peasants who, coming from the Upper Huallaga, were forced to leave their coca plantations because of the National Police antinarcotics units.

The cocaine paste tablets produced by the peasants of Shanusi, Alfonso Ugarte, Yumbatos, Jorge Chavez,

Shapajilla, Bonilla, Sargento Lores, Pintoyacu, Copal, Carachama, San Juan, San Miguel, Naranjal, Davilsillo, Nuevo Lamas, and Pintoyaquillo, were taken to Pampa Hermosa, San Martin Province, Upper Huallaga, the main collection center for the region.

But the clandestine airport between km 40, by the bridge over the Shanusi River, and Pampa Hermosa was destroyed by the Air Force.

This incursion prompted an increase in the security forces, preventing the normal flow of drug flights to Colombia.

"El Ministro" then moved from the depleted market of Pampa Hermosa to Huimbayoc, his new drug collection center. He made Pongo Isla his general headquarters and Yarina his center of operations because it has an airport with official permit. In this area the people do not have the money even to move around in boats, but there are air-taxi companies that render services to that town.

Pongo Isla then was renamed Leticia by the Colombian trafficker, in honor of the people from his country where Porras Ardila taught him the art of drug trafficking.

By making Huimbayoc his collection center, "El Ministro" recovered the power he lost by abandoning Pampa Hermosa. He now purchases coca paste from the peasants of Pucalpillo, Progreso, Miraflores, Paraiso, Yarina, Navarro, Reforma, Inayuca, Alto Coritayacu, Dos de Mayo, Santa Marta, San Francisco, Santa Zona Matador, San Antonio, Guineayoc, and others.

An unexpected event stopped "El Ministro's" dangerous bull run. On 15 May, a group of agents from the National Police Command from Upper Amazonas, Yurimaguas, entered his operations center in Pongo Isla and arrested him, his girlfriend Isolina Mansilla Acosta, alias "Charito," and two of his henchmen.

"El Ministro" was taken aboard his own boat to Yurimaguas where in a matter of hours he reached an agreement with his captors: He paid $100,000 for his freedom.

After lengthy investigations by the National Police Inspector's office and by the Antinarcotics Board with the cooperation of the Upper Amazonas Provincial Control Department, the bribed policemen were jailed, fired, and are currently facing trial.

The Colombian continued his business following this sudden fright but convinced peasant defense patrol members from coca production districts like Huimbayoc and Navarro to provide him with protection.

So much so, that when a National Police antidrug patrol arrived in Huimbayoc on 16 August, the peasant defense patrol members welcomed the security forces, who arrived by helicopter, with gunfire.

Two members of the defense patrols died in the shootout and 97 kg of cocaine paste and large amount of chemical precursors were seized. But Isolina Mansilla Acosta, alias "Charito," daringly accused police agents of attacking private property and of murdering peasant defense patrol members.

Ironically, the peasant defense patrols were provided with weapons by the Huallaga Front headed by Peruvian Army General Eduardo Bellido Mora. Dinandro [Antidrug Division] Report No. 162-DADAH-SL, dated 10 August that is, six days before the police incursion states: "(Waldo Simeon Vargas Arias) is reportedly living in Huimbayoc and Navarro, Tarapoto Province, San Martin Department. He would be living with Isolina Mansilla Acosta. They purchase large amounts of drugs, approximately 10 tonnes, to be processed and transported aboard clandestine planes to Colombia."

The report adds: "The traffickers reportedly rely on the support of townspeople and peasant defense patrol members to provide them with security in all their activities, using long- and short-range weapons."

A high-ranking Dinandro source has confirmed the intelligence report obtained by his agents concerning the support to traffickers by some peasant defense patrols who were armed by the Army.

The source said: "Like in Upper Huallaga, the traffickers want to lead the people against the security forces. They have achieved this to a certain extent," adding: "For this reason, there must be better control of the peasant defense patrols, especially those that received weapons from the state."

As if the police action were not enough, "El Ministro" received an unexpected attack from "Vaticano's" Pongo Isla fortress. He was forced to flee, leaving on the road two of his henchmen who murdered by "Vaticano's" group.

The Colombian then settled in Pelejo, another collection center with a clandestine airport and surrounded by coca plantations cared by the people of Papaplaya, Rumiyarina, San Luis, Santa Elena, Asuncion, Caimito, Pamplona, Pelejillo, and mainly Reforma.

After no more than a month in Pelejo, another incursion by "Vaticano" forced him to move further north, to Lagunas, yet another trafficking stronghold.

But "El Ministro" is no fool. He knew his competitor was on his heels and, before leaving Huimbayoc, he left the brothers Carlos Enrique and Miguel Angel Farro Perez to run the business in Lagunas. The first task was to refurbish the run-down Lagunas municipal airport to transport the drugs.

When the Colombian arrived in Lagunas everything was ready. The Farro Perez brothers had signed an agreement with the municipality of Lagunas to repair the airport in exchange for installing a branch of the Halcon aero-taxi company. Once the airstrip became operational the sleepy jungle district was revived because of the traffickers' flights.

"El Ministro" knew the Farro Perez brothers would not fail him because, among other things, they are his relatives.

The Colombian drug trafficker's girlfriend, Isolina Mansilla Acosta, was born in Rupa Rupa, Huanuco, on 3 June 1959. She is the sister of Sara who is the wife of Enrique Farro Perez, the Halcon aero-taxi representative in Lagunas. But that is another story.

A Dinandro intelligence report dated August 1993 states that the Colombian gang involved in "the exploitation of cocaine paste for international trading" includes "Isolina Mansilla Acosta and the individuals known as 'Gatillo,' 'Nacional,' 'Caballo,' 'Lancero,' 'Montana,' 'Gorgojo,' 'Memo,' 'Boquita,' 'Tiburon,' 'Dangelo,' 'Miguel,' 'Ventiuno,' 'Balde,' 'Cone,' and 'Sierrita.'"

Also mentioned in the report are "'Gato,' 'Tony,' 'Dios Mio,' 'Cocharun,' 'Brea,' 'Canillita,' 'Lucho Buho,' 'Juanito,' 'Harry,' 'David,' 'Negro Izula,' 'Micky Martin,' 'Chino,' 'Don Marcos,' 'Hueso,' 'Frejolito,' 'Comadre,' 'Pirulin' (who is known as one of the most blood thirsty Colombian hired killers in the zone), 'Chevas,' 'Pizana,' 'Pelbes,' 'Ripio,' 'Jazmin,' 'High Mariel,' 'Burro,' 'Elastico,' 'Mascara,' 'Lambayecano,' 'Chocho,' 'Coro,' 'Percy,' 'El Popular Coco,' 'Percy,' 'Coro,' 'Marcos,' and 'El Ciego.'"

When "El Ministro" arrived in Lagunas he found the airport ready to transport the drug elaborated by coca producers in Shambuyacu, Tiphisca, Miraflores, Santa Cruz, Providencia, Pucate, Naranjal, and other neighboring areas.

Following this recovery by "El Ministro," the Peruvian citizen "Vaticano" could do nothing but close an agreement and yield to the pressures of his Colombian bosses.

A report compiled in Lagunas said that a light plane with a Colombian license number landed at the recently repaired airstrip around 1800 during the middle of September. The plane carried the pilot and one passenger, whom some people identified as "El Ministro's" brother. The individual carried a message from the Cali Cartel: Waldo Vargas Arias had to negotiate with Demetrio Chavez Penaherrera to avoid threatening the drug supply.

From that date "Vaticano" was unable to touch the Colombian's business between Pongo Island and Lagunas while "El Ministro" would not buy drugs in Campanilla, Saposoa, Aguaytia, and Sion, which are the Peruvian areas of influence.

At the same time it was agreed that "El Ministro" would continue to operate more as a drug collector than drug transporter.

In exchange the "Vaticano" allowed "El Ministro" to contact Shining Path leaders in Upper Huallaga to hire their protection following disappearance of the MRTA from the area.

For the two drug traffickers, this was an agreement for the equal distribution of business. No one knows how long it will last because "El Ministro" becomes stronger every day and threatens to remove "Vaticano."

In light of the actions by the antinarcotics forces, the two drug traffickers may join forces to establish a stronger organization with a unified command and an army of hired killers like the Colombian cartels.

To confirm if the agreement is being fulfilled, "Vaticano" sent two of his hired Colombian killers—"Chuck Norris" and "Rambo"—to the area under the control of "El Ministro." They periodically report to him details of the movements of his competitor.

The first Shining Path flags appeared in Puente Shanusi at km 40 of the Yurimaguas-Tarapoto highway two days before the referendum. Just 10 days ago new flags were raised by subversives in Pampa Hermosa and Alianza announcing their presence and showing the power of "El Ministro."

* Potential 1995 Presidential Candidates Viewed

94SM0156A Lima Si in Spanish 5 Dec 93 pp 8-13

[Unattributed article: "Profiles of 1995"]

[Text] The race for the presidency of the Republic has begun, although it appears to be a timid start, if we look to the public statements of the possible candidates. But if we had access to the intimate thoughts of each of the possible presidential candidates, it is certain that we would find a rather mature decision.

What stage has the battle for the 1995 presidency reached? The first certainty is that there are only 16 months left before the election date. The second fact, and this is perhaps the decisive one, is that the results of the referendum have not only altered the political map, but also seem to have mobilized the presidential ambitions of various individuals.

The scenario has certainly become more complicated, because the opposition to the government has become bolder. But it is also a fact that in Fujimori's party sector, more than one hopeful has emerged. Up until the date of the referendum, it was possible to foresee the launching of a single candidate by the entire opposition as the only proper card to play to defeat the current chief of state. Today the opposition appears to believe it is even strong enough to be spared the need to agree on a single alternative. But not only that. Now the possibility of a Fujimori party without Fujimori is developing more broadly than could have been imagined just a few short weeks ago.

Given this context, it is of interest to attempt to profile the first individuals to enter the field—Ricardo Belmont (RBC), Daniel Estrada, and Hernando de Soto.

Ricardo Belmont has already had a skirmish with Government Palace. It occurred last August, and the truth is,

according to the surveys taken then and despite the limited attendance at the meeting convoked in Manco Capac Square in connection with what had happened, he did not do badly in his clash with the executive branch.

The IMASEN undertook a survey during those weeks that it we would do well to recall. To begin with, a very high 70 percent of the population of Lima admitted having "knowledge of the conflict between Ricardo Belmont and the president of the Republic." A substantial 53 percent believed that the government was failing to provide Belmont with the resources needed for the administration of his department. And further still, about 27 percent were convinced that the government was not giving the mayor the needed resources "because Belmont might be successful as a candidate for the presidency." Not even water could be clearer. And it should be no surprise that "Hermanon" has very carefully evaluated the positive results of these encounters with Engineer Fujimori (AFF).

However, in that same month, the IMASEN compared AFF and RBC as presidential candidates. The former won out, with 58.7 percent as compared to the 20.8 percent for the mayor of Lima. Now "El Colorao" may be thinking that the referendum has broadened his space and that the months still remaining before the electoral date may favor him even further. This man always "thinks positive."

But in the most recent issue of IMASEN CONFIDENCIAL (November 1993), the administration of the mayor of Lima received good marks—an approval rating of 61.4 percent as compared to a rejection rating of 31 percent. (This survey was taken exclusively in Lima.)

The conclusion reached by this same survey organization is that Belmont is maintaining his position, and that his approval rate is improving in the lowest stratum and declining in the middle-upper strata. This means, of course, that he would be a candidate who would for the most part eat into a portion of the same social strata as the current incumbent in Government Palace.

However, Belmont's possible candidacy raises several questions. Thus far it has been a phenomenon limited to Lima (although it is true that he enjoys broad acceptance in the poorer sectors). He has not, therefore, had an opportunity to assess how well he would be accepted in the country's provinces, which are today so sensitive to the centralism in Lima.

Another matter of concern regarding Belmont is his habit of improvising. A few days ago, he made the statement during a political program that a political platform for governing should be drafted by technicians, who could readily be hired on contract. This statement, of course, reminds us of one made by Luis Bedoya Reyes some decades ago now.

All of this seems to the mayor of Lima to be a matter of image and "projects." As for the rest, as he says, it would be up to the technicians hired. All of which is, naturally, highly debatable, when it comes to managing a city like Lima, and to an even greater extent, when one is trying to administer a country.

This characteristic, which has heretofore been a part of RBC's charismatic "spontaneity," might be a highly vulnerable point when he is compared with other candidates who appear more solid and combine proposals with image. He has, moreover, revealed this more dangerous side when, for example, candidates lacking any prior knowledge about or evaluation for their positions have been chosen. There have been such flagrant instances as those involving Jorge Vasquez, in Villa El Salvador; and Jose Rubio, in San Martin de Porres.

A few months ago, Belmont said that he would not run as a candidate for the presidency. And that he was not very comfortable in a tie, or in a suit, either, while men like Carlos Bolona could indeed wear them much more naturally. The allusion could not be clearer. If the candidate was the issue, he already had his own. The former minister of economy favored him, and very nearly put his name forward. What has changed between that time and the present? Perhaps it is that Fujimori no longer seems to Belmont as monolithic as before, and that his second municipal experience has convinced him that he is now ready to play in the first division.

One could also surmise that Belmont's affinity for Bolona has not dwindled, that he is teamed with "Car'e bebe," and that they might well join together on a single "super-Lima" platform.

But what does Belmont offer that differentiates him from Fujimori? RBC maintained a notable level of agreement with Government Palace until he ran for office a second time at the beginning of this year. It will readily be remembered that when Pablo Gutierrez, the candidate of the government party for the position of mayor of Lima, was headed downhill, AFF could find no better alternative than to throw his support to RBC. It is also a fact that in this instance, Belmont was very cautious, and made it clear that no one owed anybody anything, and that he had won thanks to his own efforts. But the internal coup of 5 April and many of Fujimori's measures had already won the support of the municipality.

Belmont then is the man who might say he offers as an alternative a Fujimori movement without Fujimori, probably in an attempt to show that the difference he would make has to do with respect for the autonomy of the institutions. The difference would be, then, more one of style and communication methods than one of political proposals.

Would the business community in Lima support a candidacy like that of Belmont? This remains to be seen. It will depend on how much strength he gains in the coming months, and what he can offer the businessmen. The mayor's ambitious program for rebuilding historic Lima will not, of course, be enough.

Another candidate who has practically joined the race is Daniel Estrada. The mayor of Cusco is up to a point the anti-image of Belmont. Perhaps it is not, therefore, without reason that his anticentralist ideas are identified, under some circumstances, with an anti-Lima attitude.

As is obvious, Estrada wants to garner the provincial votes, and he recently spoke of the need to achieve a major pact involving various regional sectors in order to defeat the central power. The results of the recent elections give him a basis for this venture, particularly since that, precisely, is Fujimori's weak point.

Estrada's credentials are based on his successful municipal administration record in the city of Cusco, and he intends to increase his appeal with his anticentralist proposals, now combined with a plan, debatable in the eyes of many, for a federal Peruvian state. However, his current strength may also prove to be a hindrance to his broader national acceptance.

Estrada is not like any other anticentralist leader, since he insists on emphasizing the heritage and representation of the ancestral Cusco. The question arises as to how he would integrate this particular characteristic with a national debate and plan that would not only include the other regions, which are so dissimilar and so "regionalistic," but also Lima itself, with its highly diverse population.

On the other hand, could the interregional pact he so much desires be achieved? The first obstacle is the difficulty of obtaining the support of the other regional leaders who have party affiliations, like Jose Murgia, of Trujillo, or whose representation is clearly local, with roots more in the coastal population than the Incas, such as Tito Chocano, the mayor of Tacna.

It must also be remembered that Estrada makes no secret of a style that is sometimes authoritarian. During a recent television appearance, he justified the events of 5 April and criticized the old parliament harshly. His only criticism of Fujimori's authoritarianism was that it was too cold and "robot-like."

It is difficult to imagine what the mayor of Cusco would do if he were installed in Government Palace. There can be no doubt that an anticentralist policy would be promoted at full speed, but what is unknown is what his institutional administration would be like, and what his relations would be, with the parliament, with the political parties, and with the Armed Forces, for example. The same can be said about his economic policy. The unknown factors predominate, but there are still several months remaining in which they could be clarified.

Carlos Bolona (CBB) is another individual who is making incursions in the party sector. It is said that there is one group of businessmen who have confidence in him, and that these individuals are prepared to play him as their card in the hope of replacing Fujimori.

Bolona has established his institute, and he issues rather regular opinions on current political subjects. The profile of his possible candidacy is for the time being less clearly drawn that of the others. But his interest in the presidency has been more or less obvious for some time now.

The leading credential CBB has to offer is his administration as head of the Ministry of Economy and Finance. This action, which won applause in one sector, provoked criticism in another. As a result, it is quite probable that if Bolona should in the end be persuaded to launch his candidacy, he would have to broaden his base of support. He would need a good running mate—perhaps one of provincial origin, and a "marketing campaign" to modify his very capital-oriented image and his apparent extreme closeness with wealthy business sectors.

The support of General Jaime Salinas Sedo's precandidacy by Javier Valle Riestra and Gustavo Mohme represents the initial effort to clarify the image of the most obvious opposition candidate today. Salinas Sedo could be the "more combative" candidate Fernando Belaunde is demanding to oppose Fujimori.

Without a doubt, his candidacy represents the polarization of the government and the current high military commanders. There are basically two obstacles for Salinas Sedo at the present. One is winning over the more centrist sectors that are less radical in their opposition to the government, and the other is overcoming the problems of a legal nature that could be put forward formally to block his candidacy.

"Get Ready, Get Set"

Hernando de Soto also seems to be adjusting his stance at the starting line. Last week, he made public his proposed constitutional reform by popular initiative. This week he announced that next Tuesday, the Freedom and Democracy Institute (ILD) and the popular institutions supporting his proposal will launch a campaign to obtain the 35,000 signatures the new constitution requires in order for the Congress to consider the possibility of amendment.

Last week he also paid a visit to the premises of the CUAVES [Urban Self-Management Community of Villa El Salvador], and the National Agrarian Confederation published a statement praising the ILD initiative. On the day of the press conference at which the reform proposal was announced, the presence of some well-known peasant leaders who were active for years in the leftist sector, such as Marcial Quintana and Jorge Arevalo from Piura, was notable.

The organization of a meeting of 400 delegates representing the social organizations throughout the country scheduled to be held on 18 and 19 December to rally support for the reform proposal set forth seems to be the last step in this first stage of preparations for the probable candidacy of De Soto.

And so his electoral strategy would begin with advocacy of a great concerted union among the representatives of all the sectors of society. As an alternative to a concertation based principally on interparty agreement, the president of the ILD proposes a union supported by the base-level movements.

A careful consideration of their proposals reveals that neither Belmont, nor Estrada, nor De Soto is urging an agreement achieved mainly by the parties, although De Soto may perhaps be the individual most desirous of clarifying his disagreement with the so-called "partidocracy."

De Soto's proposal combines economic liberalism and democratization of the state. In a way, it is another version of a Fujimori platform without Fujimori. The president of the ILD not only collaborated with the present chief of state during a certain period, but has also given explicit support to the government's economic policy. In this realm, De Soto has let slip some criticisms of government improvisation. He has, for example, expressed his annoyance at the lack of serious effort to promote projects such as substitution for the coca leaf as a crop. However, he has endorsed the central aspects of the program.

The basic disagreement with the current regime he is attempting to demonstrate has to do with the democratization of the state. In this connection, his proposal for constitutional reform calls for the establishment of closer links between society and the political regime.

The challenges facing his possible candidacy begin with the need to ensure that his image "catches on" with the national electorate. Unlike Belmont and Estrada, De Soto has not run for political office previously. He does not, therefore, have a reference point on the basis of which he can project his image as a government leader.

One unknown factor is how his liberal economic proposal will sit with the middle and small businessmen's portion of the national business sector, so as to avoid its ending up as a simple neomercantilists' adjunct—a dilemma the Fujimori government is definitely faced with at present, whatever one's view of it may be.

A Hibernating Candidate

Perez de Cuellar (JPC) is in a state of hibernation, but he has not by any means vanished as a possible candidate. According to the most recent surveys on the subject, JPC is the individual who appears to be in the best position to challenge AFF for the presidency in 1995.

In addition to that, the opposition parties in the CCD have given him their support, and he may very well be endorsed by the sectors that voted "yes" in the recent referendum but have lost confidence in Fujimori. JPC's great difficulty is that he has made a great consensus a prerequisite, and it appears that achieving this will be very difficult.

Perez de Cuellar has confirmed that he will visit Peru in the middle of December. He will be here for some weeks, and will utilize the opportunity to test the air.

During his earlier visit, he met with leading personalities who wanted him to run for the presidency. This meeting took place at the home of the painter Fernando de Szyszlo. It is not known if he will attend similar meetings this time.

Uruguay

New Money Laundering Method Used After U.S. Pressure

PY0501202394 Montevideo BRECHA in Spanish 23 Dec 93 p 8

[Article by Samuel Blixen]

[Text] The persistent and constant pressure exerted by the U.S. Federal Reserve on banks to discourage money laundering have resulted in the surfacing of substitute mechanisms to bypass control measures.

In our country's case, the State Department's repeated charges that our banking system has inherited the role played by Panama changed the mind of the banking authorities who refused to implement control mechanisms and lift bank secrecy. Thus, money-laundering operations through bank branches dropped noticeably (the latest cases made public involved the Santander and Lloyd's banks, linked to the Yomagate scandal [involving Argentine President Carlos Menem's sister-in-law]). The bank branches were replaced by some money exchanges on which U.S. organizations in charge of repressing illegal financial transactions focused their attention.

Money exchanges also were forced to operate more "openly" when the Central Bank of Uruguay extended some of the control mechanisms to this field. Once in a while the money exchanges appeared involved in money laundering, as in the recent case involving the Indumex [expansion unknown] money exchange, used to launder capital amassed in Brazil through a colossal corruption and influence peddling scheme.

However, the operators of ill-gotten money have had to find new discreet methods to launder their money in view of the risks they run due to the control measures implemented by DEA agents, the IRS (the office in charge of fighting tax evasion), and U.S. Customs. The freedom to carry out financial transactions in our country, in this sense, offers a new and flourishing mechanism: the surfacing of corporations engaged in intermediary activities.

Leaders of the banking union have just charged CADISA, Investment Management Company, Inc., one of the most important of these corporations in Uruguay, with money laundering. CADISA's trade is better known

as Citicorp's "Citicarteras" [investments portfolio]. Citicorp, in turn, is the international corporation of the Uruguayan government's main creditor bank: Citibank.

If one believes banking sources, one could presume that Citibank, through Citicorp, has managed to complete the circle. CADISA's operations are considered a typical financial intermediary. It attracts savings that, in turn, are invested in banks operating in Uruguay with clauses in the contracts noting that all risks are run exclusively by the client.

This allows CADISA to carry out risky operations, depositing the money in saving accounts or buying "money baskets" in those banks that offer the best interest rates for investments. Citicarteras, preferably, operates with government-intervened private banks and the public banking sector, especially the Mortgage Bank.

It is estimated that Citicorp, during the 18 months it has been operating through CADISA, has accumulated $100 million worldwide. Many of its clients do not reside in Uruguay.

Citicarteras offers a high return in exchange for a commission. In addition to the rates—which are an incentive despite the risk it represents—there is another benefit: the full concealment of the operation because CADISA, not the client, deposits the money in the bank. In other words, the client enjoys complete secrecy, something that not even the banks enjoy. This is feasible because since CADISA is a corporation, although it carries out typical intermediary financial operations, it is not subject to Central Bank control measures.

This abnormal situation reported by the AEBU [Association of Uruguayan Bank Employees] still has not prompted a declaration by the Central Bank management. The subject was discussed recently but the Central Bank postponed any decision on the subject. Central Bank President Enrique Braga, through his public relations manager, declined to make any comments on the issue.

Union sources told BRECHA that the facilities Citicorp enjoys allow money laundering. Citicorp carries out similar activities in Argentina, where the National Securities Commission has sanctioned the holding [preceding world in English] "due to its dubious operations" and "irregularities in its activities." Citicorp in Argentina during the past two years has focused on the purchase of public enterprises earmarked for privatization and owns 28 percent of Cointel [expansion unknown] shares and 33 percent of the Zapla Iron and Steel Industry in partnership with the Spanish Telephone Company and Techint [expansion unknown].

The consulted sources asserted that CADISA's operations in Uruguay favor the strategy of Citibank, which currently has a dispute with the AEBU because it refuses to acknowledge the enforcement of the collective bargaining agreement valid for the entire industry. Citibank, on one hand, is trying to weaken the union and, on the other, to become the leader of the banks that belong to the Association of Banking Enterprises, which it left a few months ago.

CADISA operations are regarded as "unfair competition" by Citibank regarding the rest of the banking institutions. Citibank channels its financial intermediary activities through CADISA, which has significantly reduced costs. The case is quite unique: Citicarteras has no employees; its agents appear as a one-man enterprise. Nor do they collect salaries because they earn commissions and percentages that eliminate, among other things, the payment of contributions to the BPS [Social Security Bank].

Labor union sources stated, however, that Citicarteras' financial intermediary operations imply a risk not mentioned in its advertisements: The corporation is not covered by bank secrecy and any judge, as well as the General Directorate of Taxation, can intervene the bank accounts. That is, as long as there is a desire to control what seems a profitable and almost perfect mechanism for money laundering.

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